

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 2115

(SENATE AUTHORS: WIKLUND)

DATE	D-PG	OFFICIAL STATUS
03/15/2021	916	Introduction and first reading Referred to Human Services Reform Finance and Policy See HF2128, Art. 8, Sec. 1, 3; Art. 12, Sec. 3-4 See First Special Session 2021, HF33, Art. 7, Sec. 2-7, 23, 26; Art. 9, 11, Sec. 15, 17-18, 24-26, 32; Art. 12-13, Sec. 5, 16, 19, 26-29, 66, 72-73, 79; Art. 16, Sec. 2, 26 See First Special Session 2021, HF4

1.1 A bill for an act

1.2 relating to human services; modifying provisions governing children and family

1.3 services, community supports, direct care and treatment, and chemical and mental

1.4 health services; making forecast adjustments; requiring reports; transferring money;

1.5 making technical and conforming changes; appropriating money; amending

1.6 Minnesota Statutes 2020, sections 119B.011, subdivision 15; 119B.025, subdivision

1.7 4; 245A.03, subdivision 7; 246.54, subdivision 1b; 254B.05, subdivision 5; 256.042,

1.8 subdivisions 2, 4; 256.043, subdivision 3; 256B.0625, subdivision 20; 256B.0759,

1.9 subdivisions 2, 4; 256B.092, subdivisions 4, 5, 12; 256B.0924, subdivision 6;

1.10 256B.094, subdivision 6; 256B.49, subdivisions 11, 11a, 17, by adding a

1.11 subdivision; 256B.4914, subdivisions 5, 6, 7, 8, 9, by adding a subdivision;

1.12 256D.03, by adding a subdivision; 256D.051, by adding subdivisions; 256D.0516,

1.13 subdivision 2; 256E.30, subdivision 2; 256E.34, subdivision 1; 256I.03, subdivision

1.14 13; 256I.05, subdivisions 1a, 11; 256I.06, subdivisions 6, 8; 256J.08, subdivisions

1.15 71, 79; 256J.21, subdivisions 2, 3, 4; 256J.33, subdivisions 1, 2; 256J.37,

1.16 subdivisions 3, 3a; 256J.626, subdivision 1; 256N.25, subdivisions 2, 3; 256N.26,

1.17 subdivisions 11, 13; 256P.01, by adding a subdivision; 256P.04, subdivisions 4,

1.18 8; 256P.06, subdivision 3; 256P.07; proposing coding for new law in Minnesota

1.19 Statutes, chapters 256B; 256P; repealing Minnesota Statutes 2020, sections

1.20 245A.191; 256B.0596; 256B.0916, subdivisions 2, 3, 4, 5, 8, 11, 12; 256B.097;

1.21 256B.49, subdivisions 26, 27; 256D.051, subdivisions 1, 1a, 2, 2a, 3, 3a, 3b, 6b,

1.22 6c, 7, 8, 9, 18; 256D.052, subdivision 3; 256J.08, subdivisions 10, 53, 61, 62, 81,

1.23 83; 256J.30, subdivisions 5, 7, 8; 256J.33, subdivisions 3, 4, 5; 256J.34,

1.24 subdivisions 1, 2, 3, 4; 256J.37, subdivision 10.

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

1.26 style="text-align:center">**ARTICLE 1**

1.27 style="text-align:center">**CHILDREN AND FAMILY SERVICES**

1.28 Section 1. Minnesota Statutes 2020, section 119B.011, subdivision 15, is amended to read:

1.29 Subd. 15. **Income.** "Income" means earned income as defined under section 256P.01,

1.30 subdivision 3, unearned income as defined under section 256P.01, subdivision 8, and public

1.31 assistance cash benefits, including the Minnesota family investment program, diversionary

2.1 work program, work benefit, Minnesota supplemental aid, general assistance, refugee cash
2.2 assistance, at-home infant child care subsidy payments, and child support and maintenance
2.3 distributed to ~~the~~ a family under section 256.741, subdivision 2a, and nonrecurring income
2.4 over \$60 per quarter unless earmarked and used for the purpose for which it was intended.

2.5 The following are deducted from income: funds used to pay for health insurance premiums
2.6 for family members, and child or spousal support paid to or on behalf of a person or persons
2.7 who live outside of the household. Income sources that are not included in this subdivision
2.8 and section 256P.06, subdivision 3, are not counted as income.

2.9 **EFFECTIVE DATE.** This section is effective March 1, 2023.

2.10 Sec. 2. Minnesota Statutes 2020, section 119B.025, subdivision 4, is amended to read:

2.11 Subd. 4. **Changes in eligibility.** (a) The county shall process a change in eligibility
2.12 factors according to paragraphs (b) to (g).

2.13 (b) A family is subject to the reporting requirements in section 256P.07, subdivision 6.

2.14 (c) If a family reports a change or a change is known to the agency before the family's
2.15 regularly scheduled redetermination, the county must act on the change. The commissioner
2.16 shall establish standards for verifying a change.

2.17 (d) A change in income occurs on the day the participant received the first payment
2.18 reflecting the change in income.

2.19 (e) During a family's 12-month eligibility period, if the family's income increases and
2.20 remains at or below 85 percent of the state median income, adjusted for family size, there
2.21 is no change to the family's eligibility. The county shall not request verification of the
2.22 change. The co-payment fee shall not increase during the remaining portion of the family's
2.23 12-month eligibility period.

2.24 (f) During a family's 12-month eligibility period, if the family's income increases and
2.25 exceeds 85 percent of the state median income, adjusted for family size, the family is not
2.26 eligible for child care assistance. The family must be given 15 calendar days to provide
2.27 verification of the change. If the required verification is not returned or confirms ineligibility,
2.28 the family's eligibility ends following a subsequent 15-day adverse action notice.

2.29 (g) Notwithstanding Minnesota Rules, parts 3400.0040, subpart 3, and 3400.0170,
2.30 subpart 1, if an applicant or participant reports that employment ended, the agency may
2.31 accept a signed statement from the applicant or participant as verification that employment
2.32 ended.

3.1 **EFFECTIVE DATE.** This section is effective March 1, 2023.

3.2 Sec. 3. Minnesota Statutes 2020, section 256D.03, is amended by adding a subdivision to
3.3 read:

3.4 Subd. 2b. **Budgeting and reporting.** County agencies shall determine eligibility and
3.5 calculate benefit amounts for general assistance according to the provisions in sections
3.6 256P.06, 256P.07, 256P.09, and 256P.10.

3.7 **EFFECTIVE DATE.** This section is effective March 1, 2023.

3.8 Sec. 4. Minnesota Statutes 2020, section 256D.051, is amended by adding a subdivision
3.9 to read:

3.10 Subd. 20. **SNAP employment and training.** The commissioner shall implement a
3.11 Supplemental Nutrition Assistance Program (SNAP) employment and training program
3.12 that meets the SNAP employment and training participation requirements of the United
3.13 States Department of Agriculture governed by Code of Federal Regulations, title 7, section
3.14 273.7. The commissioner shall operate a SNAP employment and training program in which
3.15 SNAP recipients elect to participate. In order to receive SNAP assistance beyond the time
3.16 limit, unless residing in an area covered by a time-limit waiver governed by Code of Federal
3.17 Regulations, title 7, section 273.24, nonexempt SNAP recipients who do not meet federal
3.18 SNAP work requirements must participate in an employment and training program. In
3.19 addition to county and tribal agencies that administer SNAP, the commissioner may contract
3.20 with third-party providers for SNAP employment and training services.

3.21 **EFFECTIVE DATE.** This section is effective August 1, 2021.

3.22 Sec. 5. Minnesota Statutes 2020, section 256D.051, is amended by adding a subdivision
3.23 to read:

3.24 Subd. 21. **County and tribal agency duties.** County or tribal agencies that administer
3.25 SNAP shall inform adult SNAP recipients about employment and training services and
3.26 providers in the recipient's area. County or tribal agencies that administer SNAP may elect
3.27 to subcontract with a public or private entity approved by the commissioner to provide
3.28 SNAP employment and training services.

3.29 **EFFECTIVE DATE.** This section is effective August 1, 2021.

4.1 Sec. 6. Minnesota Statutes 2020, section 256D.051, is amended by adding a subdivision
4.2 to read:

4.3 Subd. 22. **Duties of commissioner.** In addition to any other duties imposed by law, the
4.4 commissioner shall:

4.5 (1) supervise the administration of SNAP employment and training services to county,
4.6 tribal, and contracted agencies under this section and Code of Federal Regulations, title 7,
4.7 section 273.7;

4.8 (2) disburse money allocated and reimbursed for SNAP employment and training services
4.9 to county, tribal, and contracted agencies;

4.10 (3) accept and supervise the disbursement of any funds that may be provided by the
4.11 federal government or other sources for SNAP employment and training services;

4.12 (4) cooperate with other agencies, including any federal agency or agency of another
4.13 state, in all matters concerning the powers and duties of the commissioner under this section;

4.14 (5) coordinate with the commissioner of employment and economic development to
4.15 deliver employment and training services statewide;

4.16 (6) work in partnership with counties, tribes, and other agencies to enhance the reach
4.17 and services of a statewide SNAP employment and training program; and

4.18 (7) identify eligible nonfederal funds to earn federal reimbursement for SNAP
4.19 employment and training services.

4.20 **EFFECTIVE DATE.** This section is effective August 1, 2021.

4.21 Sec. 7. Minnesota Statutes 2020, section 256D.051, is amended by adding a subdivision
4.22 to read:

4.23 Subd. 23. **Participant duties.** Unless residing in an area covered by a time-limit waiver,
4.24 nonexempt SNAP recipients must meet federal SNAP work requirements to receive SNAP
4.25 assistance beyond the time limit.

4.26 **EFFECTIVE DATE.** This section is effective August 1, 2021.

5.1 Sec. 8. Minnesota Statutes 2020, section 256D.051, is amended by adding a subdivision
5.2 to read:

5.3 Subd. 24. **Program funding.** (a) The United States Department of Agriculture annually
5.4 allocates SNAP employment and training funds to the commissioner of human services for
5.5 the operation of the SNAP employment and training program.

5.6 (b) The United States Department of Agriculture authorizes the disbursement of SNAP
5.7 employment and training reimbursement funds to the commissioner of human services for
5.8 the operation of the SNAP employment and training program.

5.9 (c) Except for funds allocated for state program development and administrative purposes
5.10 or designated by the United States Department of Agriculture for a specific project, the
5.11 commissioner of human services shall disburse money allocated for federal SNAP
5.12 employment and training to counties and tribes that administer SNAP based on a formula
5.13 determined by the commissioner that includes but is not limited to the county's or tribe's
5.14 proportion of adult SNAP recipients as compared to the statewide total.

5.15 (d) The commissioner of human services shall disburse federal funds that the
5.16 commissioner receives as reimbursement for SNAP employment and training costs to the
5.17 state agency, county, tribe, or contracted agency that incurred the costs being reimbursed.

5.18 (e) The commissioner of human services may reallocate unexpended money disbursed
5.19 under this section to county, tribal, or contracted agencies that demonstrate a need for
5.20 additional funds.

5.21 **EFFECTIVE DATE.** This section is effective August 1, 2021.

5.22 Sec. 9. Minnesota Statutes 2020, section 256D.0516, subdivision 2, is amended to read:

5.23 **Subd. 2. SNAP reporting requirements.** The commissioner of human services shall
5.24 implement simplified reporting as permitted under the Food and Nutrition Act of 2008, as
5.25 amended, and the SNAP regulations in Code of Federal Regulations, title 7, part 273. SNAP
5.26 benefit recipient households required to report periodically shall not be required to report
5.27 more often than one time every six months. ~~This provision shall not apply to households~~
5.28 ~~receiving food benefits under the Minnesota family investment program waiver.~~

5.29 **EFFECTIVE DATE.** This section is effective March 1, 2023.

6.1 Sec. 10. Minnesota Statutes 2020, section 256E.30, subdivision 2, is amended to read:

6.2 Subd. 2. **Allocation of money.** (a) State money appropriated and community service
6.3 block grant money allotted to the state and all money transferred to the community service
6.4 block grant from other block grants shall be allocated annually to community action agencies
6.5 and Indian reservation governments under paragraphs (b) and (c), and to migrant and seasonal
6.6 farmworker organizations under paragraph (d).

6.7 (b) The available annual money will provide base funding to all community action
6.8 agencies and the Indian reservations. Base funding amounts per agency are as follows: for
6.9 agencies with low income populations up to ~~1,999, \$25,000; 2,000 to~~ 23,999, \$50,000; and
6.10 24,000 or more, \$100,000.

6.11 (c) All remaining money of the annual money available after the base funding has been
6.12 determined must be allocated to each agency and reservation in proportion to the size of
6.13 the poverty level population in the agency's service area compared to the size of the poverty
6.14 level population in the state.

6.15 (d) Allocation of money to migrant and seasonal farmworker organizations must not
6.16 exceed three percent of the total annual money available. Base funding allocations must be
6.17 made for all community action agencies and Indian reservations that received money under
6.18 this subdivision, in fiscal year 1984, and for community action agencies designated under
6.19 this section with a service area population of 35,000 or greater.

6.20 **EFFECTIVE DATE.** This section is effective July 1, 2021.

6.21 Sec. 11. Minnesota Statutes 2020, section 256E.34, subdivision 1, is amended to read:

6.22 Subdivision 1. **Distribution of appropriation.** The commissioner must distribute funds
6.23 appropriated to the commissioner by law for that purpose to Hunger Solutions, a statewide
6.24 association of food shelves organized as a nonprofit corporation as defined under section
6.25 501(c)(3) of the Internal Revenue Code of 1986, to distribute to qualifying food shelves. A
6.26 food shelf qualifies under this section if:

6.27 (1) it is a nonprofit corporation, or is affiliated with a nonprofit corporation, as defined
6.28 in section 501(c)(3) of the Internal Revenue Code of 1986 or a federally recognized tribal
6.29 nation;

6.30 (2) it distributes standard food orders without charge to needy individuals. The standard
6.31 food order must consist of at least a two-day supply or six pounds per person of nutritionally
6.32 balanced food items;

7.1 (3) it does not limit food distributions to individuals of a particular religious affiliation,
 7.2 race, or other criteria unrelated to need or to requirements necessary to administration of a
 7.3 fair and orderly distribution system;

7.4 (4) it does not use the money received or the food distribution program to foster or
 7.5 advance religious or political views; and

7.6 (5) it has a stable address and directly serves individuals.

7.7 **EFFECTIVE DATE.** This section is effective July 1, 2021.

7.8 Sec. 12. Minnesota Statutes 2020, section 256I.03, subdivision 13, is amended to read:

7.9 Subd. 13. **Prospective budgeting.** "Prospective budgeting" ~~means estimating the amount~~
 7.10 ~~of monthly income a person will have in the payment month~~ has the meaning given in
 7.11 section 256P.01, subdivision 9.

7.12 **EFFECTIVE DATE.** This section is effective March 1, 2023.

7.13 Sec. 13. Minnesota Statutes 2020, section 256I.06, subdivision 6, is amended to read:

7.14 Subd. 6. **Reports.** Recipients must report changes in circumstances according to section
 7.15 256P.07 ~~that affect eligibility or housing support payment amounts, other than changes in~~
 7.16 ~~earned income, within ten days of the change.~~ Recipients with countable earned income
 7.17 must complete a household report form at least once every six months according to section
 7.18 256P.10. ~~If the report form is not received before the end of the month in which it is due,~~
 7.19 ~~the county agency must terminate eligibility for housing support payments. The termination~~
 7.20 ~~shall be effective on the first day of the month following the month in which the report was~~
 7.21 ~~due. If a complete report is received within the month eligibility was terminated, the~~
 7.22 ~~individual is considered to have continued an application for housing support payment~~
 7.23 ~~effective the first day of the month the eligibility was terminated.~~

7.24 **EFFECTIVE DATE.** This section is effective March 1, 2023.

7.25 Sec. 14. Minnesota Statutes 2020, section 256I.06, subdivision 8, is amended to read:

7.26 Subd. 8. **Amount of housing support payment.** (a) The amount of a room and board
 7.27 payment to be made on behalf of an eligible individual is determined by subtracting the
 7.28 individual's countable income under section 256I.04, subdivision 1, for a whole calendar
 7.29 month from the room and board rate for that same month. The housing support payment is
 7.30 determined by multiplying the housing support rate times the period of time the individual
 7.31 was a resident or temporarily absent under section 256I.05, subdivision 1c, paragraph (d).

8.1 ~~(b) For an individual with earned income under paragraph (a), prospective budgeting~~
 8.2 ~~must be used to determine the amount of the individual's payment for the following six-month~~
 8.3 ~~period. An increase in income shall not affect an individual's eligibility or payment amount~~
 8.4 ~~until the month following the reporting month. A decrease in income shall be effective the~~
 8.5 ~~first day of the month after the month in which the decrease is reported.~~

8.6 ~~(e)~~ (b) For an individual who receives housing support payments under section 256I.04,
 8.7 subdivision 1, paragraph (c), the amount of the housing support payment is determined by
 8.8 multiplying the housing support rate times the period of time the individual was a resident.

8.9 **EFFECTIVE DATE.** This section is effective March 1, 2023.

8.10 Sec. 15. Minnesota Statutes 2020, section 256J.08, subdivision 71, is amended to read:

8.11 Subd. 71. **Prospective budgeting.** "Prospective budgeting" ~~means a method of~~
 8.12 ~~determining the amount of the assistance payment in which the budget month and payment~~
 8.13 ~~month are the same~~ has the meaning given in section 256P.01, subdivision 9.

8.14 **EFFECTIVE DATE.** This section is effective March 1, 2023.

8.15 Sec. 16. Minnesota Statutes 2020, section 256J.08, subdivision 79, is amended to read:

8.16 Subd. 79. **Recurring income.** "Recurring income" means a form of income which is:

8.17 (1) received periodically, and may be received irregularly when receipt can be anticipated
 8.18 even though the date of receipt cannot be predicted; and

8.19 (2) from the same source or of the same type that is received and budgeted in a
 8.20 prospective month ~~and is received in one or both of the first two retrospective months.~~

8.21 **EFFECTIVE DATE.** This section is effective March 1, 2023.

8.22 Sec. 17. Minnesota Statutes 2020, section 256J.21, subdivision 2, is amended to read:

8.23 Subd. 2. **Income exclusions.** The following must be excluded in determining a family's
 8.24 available income:

8.25 (1) payments for basic care, difficulty of care, and clothing allowances received for
 8.26 providing family foster care to children or adults under Minnesota Rules, parts 9555.5050
 8.27 to 9555.6265, 9560.0521, and 9560.0650 to 9560.0654, payments for family foster care for
 8.28 children under section 260C.4411 or chapter 256N, and payments received and used for
 8.29 care and maintenance of a third-party beneficiary who is not a household member;

9.1 (2) reimbursements for employment training received through the Workforce Investment
9.2 Act of 1998, United States Code, title 20, chapter 73, section 9201;

9.3 (3) reimbursement for out-of-pocket expenses incurred while performing volunteer
9.4 services, jury duty, employment, or informal carpooling arrangements directly related to
9.5 employment;

9.6 (4) all educational assistance, except the county agency must count graduate student
9.7 teaching assistantships, fellowships, and other similar paid work as earned income and,
9.8 after allowing deductions for any unmet and necessary educational expenses, shall count
9.9 scholarships or grants awarded to graduate students that do not require teaching or research
9.10 as unearned income;

9.11 (5) loans, regardless of purpose, from public or private lending institutions, governmental
9.12 lending institutions, or governmental agencies;

9.13 (6) loans from private individuals, regardless of purpose, provided an applicant or
9.14 participant documents that the lender expects repayment;

9.15 (7)(i) state income tax refunds; and

9.16 (ii) federal income tax refunds;

9.17 (8)(i) federal earned income credits;

9.18 (ii) Minnesota working family credits;

9.19 (iii) state homeowners and renters credits under chapter 290A; and

9.20 (iv) federal or state tax rebates;

9.21 (9) funds received for reimbursement, replacement, or rebate of personal or real property
9.22 when these payments are made by public agencies, awarded by a court, solicited through
9.23 public appeal, or made as a grant by a federal agency, state or local government, or disaster
9.24 assistance organizations, subsequent to a presidential declaration of disaster;

9.25 (10) the portion of an insurance settlement that is used to pay medical, funeral, and burial
9.26 expenses, or to repair or replace insured property;

9.27 (11) reimbursements for medical expenses that cannot be paid by medical assistance;

9.28 (12) payments by a vocational rehabilitation program administered by the state under
9.29 chapter 268A, except those payments that are for current living expenses;

9.30 (13) in-kind income, including any payments directly made by a third party to a provider
9.31 of goods and services;

- 10.1 (14) assistance payments to correct underpayments, but only for the month in which the
10.2 payment is received;
- 10.3 (15) payments for short-term emergency needs under section 256J.626, subdivision 2;
- 10.4 (16) funeral and cemetery payments as provided by section 256.935;
- 10.5 (17) nonrecurring cash gifts of \$30 or less, ~~not exceeding \$30 per participant in a calendar~~
10.6 ~~month;~~
- 10.7 (18) any form of energy assistance payment made through Public Law 97-35,
10.8 Low-Income Home Energy Assistance Act of 1981, payments made directly to energy
10.9 providers by other public and private agencies, and any form of credit or rebate payment
10.10 issued by energy providers;
- 10.11 (19) Supplemental Security Income (SSI), including retroactive SSI payments and other
10.12 income of an SSI recipient;
- 10.13 (20) Minnesota supplemental aid, including retroactive payments;
- 10.14 (21) proceeds from the sale of real or personal property;
- 10.15 (22) adoption or kinship assistance payments under chapter 256N or 259A and Minnesota
10.16 permanency demonstration title IV-E waiver payments;
- 10.17 (23) state-funded family subsidy program payments made under section 252.32 to help
10.18 families care for children with developmental disabilities, consumer support grant funds
10.19 under section 256.476, and resources and services for a disabled household member under
10.20 one of the home and community-based waiver services programs under chapter 256B;
- 10.21 (24) interest payments and dividends from property that is not excluded from and that
10.22 does not exceed the asset limit;
- 10.23 (25) rent rebates;
- 10.24 (26) income earned by a minor caregiver, minor child through age 6, or a minor child
10.25 who is at least a half-time student in an approved elementary or secondary education program;
- 10.26 (27) income earned by a caregiver under age 20 who is at least a half-time student in an
10.27 approved elementary or secondary education program;
- 10.28 (28) MFIP child care payments under section 119B.05;
- 10.29 (29) all other payments made through MFIP to support a caregiver's pursuit of greater
10.30 economic stability;
- 10.31 (30) income a participant receives related to shared living expenses;

- 11.1 (31) reverse mortgages;
- 11.2 (32) benefits provided by the Child Nutrition Act of 1966, United States Code, title 42,
11.3 chapter 13A, sections 1771 to 1790;
- 11.4 (33) benefits provided by the women, infants, and children (WIC) nutrition program,
11.5 United States Code, title 42, chapter 13A, section 1786;
- 11.6 (34) benefits from the National School Lunch Act, United States Code, title 42, chapter
11.7 13, sections 1751 to 1769e;
- 11.8 (35) relocation assistance for displaced persons under the Uniform Relocation Assistance
11.9 and Real Property Acquisition Policies Act of 1970, United States Code, title 42, chapter
11.10 61, subchapter II, section 4636, or the National Housing Act, United States Code, title 12,
11.11 chapter 13, sections 1701 to 1750jj;
- 11.12 (36) benefits from the Trade Act of 1974, United States Code, title 19, chapter 12, part
11.13 2, sections 2271 to 2322;
- 11.14 (37) war reparations payments to Japanese Americans and Aleuts under United States
11.15 Code, title 50, sections 1989 to 1989d;
- 11.16 (38) payments to veterans or their dependents as a result of legal settlements regarding
11.17 Agent Orange or other chemical exposure under Public Law 101-239, section 10405,
11.18 paragraph (a)(2)(E);
- 11.19 (39) income that is otherwise specifically excluded from MFIP consideration in federal
11.20 law, state law, or federal regulation;
- 11.21 (40) security and utility deposit refunds;
- 11.22 (41) American Indian tribal land settlements excluded under Public Laws 98-123, 98-124,
11.23 and 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech Lake, and
11.24 Mille Lacs reservations and payments to members of the White Earth Band, under United
11.25 States Code, title 25, chapter 9, section 331, and chapter 16, section 1407;
- 11.26 (42) all income of the minor parent's parents and stepparents when determining the grant
11.27 for the minor parent in households that include a minor parent living with parents or
11.28 stepparents on MFIP with other children;
- 11.29 (43) income of the minor parent's parents and stepparents equal to 200 percent of the
11.30 federal poverty guideline for a family size not including the minor parent and the minor
11.31 parent's child in households that include a minor parent living with parents or stepparents

12.1 not on MFIP when determining the grant for the minor parent. The remainder of income is
12.2 deemed as specified in section 256J.37, subdivision 1b;

12.3 (44) payments made to children eligible for relative custody assistance under section
12.4 257.85;

12.5 (45) vendor payments for goods and services made on behalf of a client unless the client
12.6 has the option of receiving the payment in cash;

12.7 (46) the principal portion of a contract for deed payment;

12.8 (47) cash payments to individuals enrolled for full-time service as a volunteer under
12.9 AmeriCorps programs including AmeriCorps VISTA, AmeriCorps State, AmeriCorps
12.10 National, and AmeriCorps NCCC;

12.11 (48) housing assistance grants under section 256J.35, paragraph (a); and

12.12 (49) child support payments of up to \$100 for an assistance unit with one child and up
12.13 to \$200 for an assistance unit with two or more children.

12.14 **EFFECTIVE DATE.** This section is effective March 1, 2023.

12.15 Sec. 18. Minnesota Statutes 2020, section 256J.21, subdivision 3, is amended to read:

12.16 Subd. 3. **Initial income test.** The agency shall determine initial eligibility by considering
12.17 all earned and unearned income that is not excluded under subdivision 2. To be eligible for
12.18 MFIP, the assistance unit's countable income minus the earned income disregards in
12.19 paragraph (a) and section 256P.03 must be below the family wage level according to section
12.20 256J.24, subdivision 7, for that size assistance unit.

12.21 (a) The initial eligibility determination must disregard the following items:

12.22 (1) the earned income disregard as determined in section 256P.03;

12.23 (2) dependent care costs must be deducted from gross earned income for the actual
12.24 amount paid for dependent care up to a maximum of \$200 per month for each child less
12.25 than two years of age, and \$175 per month for each child two years of age and older;

12.26 (3) all payments made according to a court order for spousal support or the support of
12.27 children not living in the assistance unit's household shall be disregarded from the income
12.28 of the person with the legal obligation to pay support; and

12.29 (4) an allocation for the unmet need of an ineligible spouse or an ineligible child under
12.30 the age of 21 for whom the caregiver is financially responsible and who lives with the
12.31 caregiver according to section 256J.36.

13.1 (b) ~~After initial eligibility is established,~~ The income test is for a six-month period. The
13.2 assistance payment calculation is based on ~~the monthly income test~~ prospective budgeting
13.3 according to section 256P.09.

13.4 **EFFECTIVE DATE.** This section is effective March 1, 2023.

13.5 Sec. 19. Minnesota Statutes 2020, section 256J.21, subdivision 4, is amended to read:

13.6 Subd. 4. **Monthly Income test and determination of assistance payment.** ~~The county~~
13.7 ~~agency shall determine ongoing eligibility and the assistance payment amount according~~
13.8 ~~to the monthly income test.~~ To be eligible for MFIP, the result of the computations in
13.9 paragraphs (a) to (e) applied to prospective budgeting must be at least \$1.

13.10 (a) Apply an income disregard as defined in section 256P.03, to gross earnings and
13.11 subtract this amount from the family wage level. If the difference is equal to or greater than
13.12 the MFIP transitional standard, the assistance payment is equal to the MFIP transitional
13.13 standard. If the difference is less than the MFIP transitional standard, the assistance payment
13.14 is equal to the difference. The earned income disregard in this paragraph must be deducted
13.15 every month there is earned income.

13.16 (b) All payments made according to a court order for spousal support or the support of
13.17 children not living in the assistance unit's household must be disregarded from the income
13.18 of the person with the legal obligation to pay support.

13.19 (c) An allocation for the unmet need of an ineligible spouse or an ineligible child under
13.20 the age of 21 for whom the caregiver is financially responsible and who lives with the
13.21 caregiver must be made according to section 256J.36.

13.22 (d) Subtract unearned income dollar for dollar from the MFIP transitional standard to
13.23 determine the assistance payment amount.

13.24 (e) When income is both earned and unearned, the amount of the assistance payment
13.25 must be determined by first treating gross earned income as specified in paragraph (a). After
13.26 determining the amount of the assistance payment under paragraph (a), unearned income
13.27 must be subtracted from that amount dollar for dollar to determine the assistance payment
13.28 amount.

13.29 ~~(f) When the monthly income is greater than the MFIP transitional standard after~~
13.30 ~~deductions and the income will only exceed the standard for one month, the county agency~~
13.31 ~~must suspend the assistance payment for the payment month.~~

13.32 **EFFECTIVE DATE.** This section is effective March 1, 2023.

14.1 Sec. 20. Minnesota Statutes 2020, section 256J.33, subdivision 1, is amended to read:

14.2 Subdivision 1. **Determination of eligibility.** A county agency must determine MFIP
14.3 eligibility prospectively ~~for a payment month~~ based on ~~retrospectively~~ assessing income
14.4 and the county agency's best estimate of the circumstances that will exist in the payment
14.5 month.

14.6 ~~Except as described in section 256J.34, subdivision 1, when prospective eligibility exists,~~
14.7 A county agency must calculate the amount of the assistance payment using ~~retrospective~~
14.8 prospective budgeting. To determine MFIP eligibility and the assistance payment amount,
14.9 a county agency must apply countable income, described in ~~section~~ sections 256P.06 and
14.10 256J.37, subdivisions 3 to 4~~9~~, received by members of an assistance unit or by other
14.11 persons whose income is counted for the assistance unit, described under sections 256J.21
14.12 and 256J.37, subdivisions 1 to 2.

14.13 This income must be applied to the MFIP standard of need or family wage level subject
14.14 to this section and sections 256J.34 to 256J.36. Income received ~~in a calendar month~~ and
14.15 not otherwise excluded under section 256J.21, subdivision 2, must be applied to the needs
14.16 of an assistance unit. An assistance unit is not eligible when the countable income equals
14.17 or exceeds the MFIP standard of need or the family wage level for the assistance unit.

14.18 **EFFECTIVE DATE.** This section is effective March 1, 2023.

14.19 Sec. 21. Minnesota Statutes 2020, section 256J.33, subdivision 2, is amended to read:

14.20 Subd. 2. **Prospective eligibility.** An agency must determine whether the eligibility
14.21 requirements that pertain to an assistance unit, including those in sections 256J.11 to 256J.15
14.22 and 256P.02, will be met prospectively for the payment month period. ~~Except for the~~
14.23 ~~provisions in section 256J.34, subdivision 1,~~ The income test will be applied ~~retrospectively~~
14.24 prospectively.

14.25 **EFFECTIVE DATE.** This section is effective March 1, 2023.

14.26 Sec. 22. Minnesota Statutes 2020, section 256J.37, subdivision 3, is amended to read:

14.27 Subd. 3. **Earned income of wage, salary, and contractual employees.** The agency
14.28 must include gross earned income less any disregards in the initial ~~and monthly~~ income
14.29 test. Gross earned income received by persons employed on a contractual basis must be
14.30 prorated over the period covered by the contract even when payments are received over a
14.31 lesser period of time.

14.32 **EFFECTIVE DATE.** This section is effective March 1, 2023.

15.1 Sec. 23. Minnesota Statutes 2020, section 256J.37, subdivision 3a, is amended to read:

15.2 Subd. 3a. **Rental subsidies; unearned income.** (a) Effective July 1, 2003, the agency
15.3 shall count \$50 of the value of public and assisted rental subsidies provided through the
15.4 Department of Housing and Urban Development (HUD) as unearned income to the cash
15.5 portion of the MFIP grant. The full amount of the subsidy must be counted as unearned
15.6 income when the subsidy is less than \$50. The income from this subsidy shall be budgeted
15.7 according to section ~~256J.34~~ 256P.09.

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

15.10 (1) age 60 or older;

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

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

15.20 (c) The provisions of this subdivision shall not apply to an MFIP assistance unit where
15.21 the parental caregiver is an SSI participant.

15.22 **EFFECTIVE DATE.** This section is effective March 1, 2023.

15.23 Sec. 24. Minnesota Statutes 2020, section 256J.626, subdivision 1, is amended to read:

15.24 Subdivision 1. **Consolidated fund.** The consolidated fund is established to support
15.25 counties and tribes in meeting their duties under this chapter. Counties and tribes must use
15.26 funds from the consolidated fund to develop programs and services that are designed to
15.27 improve participant outcomes as measured in section 256J.751, subdivision 2. Counties and
15.28 tribes that administer MFIP eligibility may use the funds for any allowable expenditures
15.29 under subdivision 2, including case management. Tribes that do not administer MFIP
15.30 eligibility may use the funds for any allowable expenditures under subdivision 2, including
15.31 case management, except those in subdivision 2, paragraph (a), clauses (1) and (6).

15.32 **EFFECTIVE DATE.** This section is effective July 1, 2021.

16.1 Sec. 25. Minnesota Statutes 2020, section 256N.25, subdivision 2, is amended to read:

16.2 Subd. 2. **Negotiation of agreement.** (a) When a child is determined to be eligible for
16.3 Northstar kinship assistance or adoption assistance, the financially responsible agency, or,
16.4 if there is no financially responsible agency, the agency designated by the commissioner,
16.5 must negotiate with the caregiver to develop an agreement under subdivision 1. If and when
16.6 the caregiver and agency reach concurrence as to the terms of the agreement, both parties
16.7 shall sign the agreement. The agency must submit the agreement, along with the eligibility
16.8 determination outlined in sections 256N.22, subdivision 7, and 256N.23, subdivision 7, to
16.9 the commissioner for final review, approval, and signature according to subdivision 1.

16.10 (b) A monthly payment is provided as part of the adoption assistance or Northstar kinship
16.11 assistance agreement to support the care of children unless the child is eligible for adoption
16.12 assistance and determined to be an at-risk child, in which case no payment will be made
16.13 unless and until the caregiver obtains written documentation from a qualified expert that
16.14 the potential disability upon which eligibility for the agreement was based has manifested
16.15 itself.

16.16 (1) The amount of the payment made on behalf of a child eligible for Northstar kinship
16.17 assistance or adoption assistance is determined through agreement between the prospective
16.18 relative custodian or the adoptive parent and the financially responsible agency, or, if there
16.19 is no financially responsible agency, the agency designated by the commissioner, using the
16.20 assessment tool established by the commissioner in section 256N.24, subdivision 2, and the
16.21 associated benefit and payments outlined in section 256N.26. Except as provided under
16.22 section 256N.24, subdivision 1, paragraph (c), the assessment tool establishes the monthly
16.23 benefit level for a child under foster care. The monthly payment under a Northstar kinship
16.24 assistance agreement or adoption assistance agreement may be negotiated up to the monthly
16.25 benefit level under foster care. In no case may the amount of the payment under a Northstar
16.26 kinship assistance agreement or adoption assistance agreement exceed the foster care
16.27 maintenance payment which would have been paid during the month if the child with respect
16.28 to whom the Northstar kinship assistance or adoption assistance payment is made had been
16.29 in a foster family home in the state.

16.30 (2) The rate schedule for the agreement is determined based on the age of the child on
16.31 the date that the prospective adoptive parent or parents or relative custodian or custodians
16.32 sign the agreement.

17.1 (3) The income of the relative custodian or custodians or adoptive parent or parents must
17.2 not be taken into consideration when determining eligibility for Northstar kinship assistance
17.3 or adoption assistance or the amount of the payments under section 256N.26.

17.4 (4) With the concurrence of the relative custodian or adoptive parent, the amount of the
17.5 payment may be adjusted periodically using the assessment tool established by the
17.6 commissioner in section 256N.24, subdivision 2, and the agreement renegotiated under
17.7 subdivision 3 when there is a change in the child's needs or the family's circumstances.

17.8 (5) An adoptive parent of an at-risk child with an adoption assistance agreement may
17.9 request a reassessment of the child under section 256N.24, subdivision 10, and renegotiation
17.10 of the adoption assistance agreement under subdivision 3 to include a monthly payment, if
17.11 the caregiver has written documentation from a qualified expert that the potential disability
17.12 upon which eligibility for the agreement was based has manifested itself. Documentation
17.13 of the disability must be limited to evidence deemed appropriate by the commissioner.

17.14 (c) For Northstar kinship assistance agreements:

17.15 (1) the initial amount of the monthly Northstar kinship assistance payment must be
17.16 equivalent to the foster care rate in effect at the time that the agreement is signed ~~less any~~
17.17 ~~offsets under section 256N.26, subdivision 11,~~ or a lesser negotiated amount if agreed to
17.18 by the prospective relative custodian and specified in that agreement, unless the Northstar
17.19 kinship assistance agreement is entered into when a child is under the age of six; and

17.20 (2) the amount of the monthly payment for a Northstar kinship assistance agreement for
17.21 a child who is under the age of six must be as specified in section 256N.26, subdivision 5.

17.22 (d) For adoption assistance agreements:

17.23 (1) for a child in foster care with the prospective adoptive parent immediately prior to
17.24 adoptive placement, the initial amount of the monthly adoption assistance payment must
17.25 be equivalent to the foster care rate in effect at the time that the agreement is signed ~~less~~
17.26 ~~any offsets in section 256N.26, subdivision 11,~~ or a lesser negotiated amount if agreed to
17.27 by the prospective adoptive parents and specified in that agreement, unless the child is
17.28 identified as at-risk or the adoption assistance agreement is entered into when a child is
17.29 under the age of six;

17.30 (2) for an at-risk child who must be assigned level A as outlined in section 256N.26, no
17.31 payment will be made unless and until the potential disability manifests itself, as documented
17.32 by an appropriate professional, and the commissioner authorizes commencement of payment
17.33 by modifying the agreement accordingly;

18.1 (3) the amount of the monthly payment for an adoption assistance agreement for a child
18.2 under the age of six, other than an at-risk child, must be as specified in section 256N.26,
18.3 subdivision 5;

18.4 (4) for a child who is in the Northstar kinship assistance program immediately prior to
18.5 adoptive placement, the initial amount of the adoption assistance payment must be equivalent
18.6 to the Northstar kinship assistance payment in effect at the time that the adoption assistance
18.7 agreement is signed or a lesser amount if agreed to by the prospective adoptive parent and
18.8 specified in that agreement, unless the child is identified as an at-risk child; and

18.9 (5) for a child who is not in foster care placement or the Northstar kinship assistance
18.10 program immediately prior to adoptive placement or negotiation of the adoption assistance
18.11 agreement, the initial amount of the adoption assistance agreement must be determined
18.12 using the assessment tool and process in this section and the corresponding payment amount
18.13 outlined in section 256N.26.

18.14 Sec. 26. Minnesota Statutes 2020, section 256N.25, subdivision 3, is amended to read:

18.15 Subd. 3. **Renegotiation of agreement.** (a) A relative custodian or adoptive parent of a
18.16 child with a Northstar kinship assistance or adoption assistance agreement may request
18.17 renegotiation of the agreement when there is a change in the needs of the child or in the
18.18 family's circumstances. When a relative custodian or adoptive parent requests renegotiation
18.19 of the agreement, a reassessment of the child must be completed consistent with section
18.20 256N.24, subdivisions 10 and 11. If the reassessment indicates that the child's level has
18.21 changed, the financially responsible agency or, if there is no financially responsible agency,
18.22 the agency designated by the commissioner or the commissioner's designee, and the caregiver
18.23 must renegotiate the agreement to include a payment with the level determined through the
18.24 reassessment process. The agreement must not be renegotiated unless the commissioner,
18.25 the financially responsible agency, and the caregiver mutually agree to the changes. The
18.26 effective date of any renegotiated agreement must be determined by the commissioner.

18.27 (b) An adoptive parent of an at-risk child with an adoption assistance agreement may
18.28 request renegotiation of the agreement to include a monthly payment under section 256N.26
18.29 if the caregiver has written documentation from a qualified expert that the potential disability
18.30 upon which eligibility for the agreement was based has manifested itself. Documentation
18.31 of the disability must be limited to evidence deemed appropriate by the commissioner. Prior
18.32 to renegotiating the agreement, a reassessment of the child must be conducted as outlined
18.33 in section 256N.24, subdivision 10. The reassessment must be used to renegotiate the
18.34 agreement to include an appropriate monthly payment. The agreement must not be

19.1 renegotiated unless the commissioner, the financially responsible agency, and the caregiver
19.2 mutually agree to the changes. The effective date of any renegotiated agreement must be
19.3 determined by the commissioner.

19.4 ~~(c) Renegotiation of a Northstar kinship assistance or adoption assistance agreement is~~
19.5 ~~required when one of the circumstances outlined in section 256N.26, subdivision 13, occurs.~~

19.6 Sec. 27. Minnesota Statutes 2020, section 256N.26, subdivision 11, is amended to read:

19.7 Subd. 11. **Child income or income attributable to the child.** (a) A monthly Northstar
19.8 kinship assistance or adoption assistance payment must be considered as income and
19.9 resources attributable to the child. Northstar kinship assistance and adoption assistance are
19.10 exempt from garnishment, except as permissible under the laws of the state where the child
19.11 resides.

19.12 (b) When a child is placed into foster care, any income and resources attributable to the
19.13 child are treated as provided in sections 252.27 and 260C.331, or 260B.331, as applicable
19.14 to the child being placed.

19.15 ~~(c) Consideration of income and resources attributable to the child must be part of the~~
19.16 ~~negotiation process outlined in section 256N.25, subdivision 2. In some circumstances, the~~
19.17 ~~receipt of other income on behalf of the child may impact the amount of the monthly payment~~
19.18 ~~received by the relative custodian or adoptive parent on behalf of the child through Northstar~~
19.19 ~~Care for Children. Supplemental Security Income (SSI), retirement survivor's disability~~
19.20 ~~insurance (RSDI), veteran's benefits, railroad retirement benefits, and black lung benefits~~
19.21 ~~are considered income and resources attributable to the child.~~

19.22 Sec. 28. Minnesota Statutes 2020, section 256N.26, subdivision 13, is amended to read:

19.23 Subd. 13. **Treatment of retirement survivor's disability insurance, veteran's benefits,**
19.24 **railroad retirement benefits, and black lung benefits.** (a) If a child placed in foster care
19.25 receives retirement survivor's disability insurance, veteran's benefits, railroad retirement
19.26 benefits, or black lung benefits at the time of foster care placement or subsequent to
19.27 placement in foster care, the financially responsible agency may apply to be the payee for
19.28 the child for the duration of the child's placement in foster care. If it is anticipated that a
19.29 child will be eligible to receive retirement survivor's disability insurance, veteran's benefits,
19.30 railroad retirement benefits, or black lung benefits after finalization of the adoption or
19.31 assignment of permanent legal and physical custody, the permanent caregiver shall apply
19.32 to be the payee of those benefits on the child's behalf. ~~The monthly amount of the other~~

20.1 ~~benefits must be considered an offset to the amount of the payment the child is determined~~
 20.2 ~~eligible for under Northstar Care for Children.~~

20.3 ~~(b) If a child becomes eligible for retirement survivor's disability insurance, veteran's~~
 20.4 ~~benefits, railroad retirement benefits, or black lung benefits, after the initial amount of the~~
 20.5 ~~payment under Northstar Care for Children is finalized, the permanent caregiver shall contact~~
 20.6 ~~the commissioner to redetermine the payment under Northstar Care for Children. The~~
 20.7 ~~monthly amount of the other benefits must be considered an offset to the amount of the~~
 20.8 ~~payment the child is determined eligible for under Northstar Care for Children.~~

20.9 ~~(c) If a child ceases to be eligible for retirement survivor's disability insurance, veteran's~~
 20.10 ~~benefits, railroad retirement benefits, or black lung benefits after the initial amount of the~~
 20.11 ~~payment under Northstar Care for Children is finalized, the permanent caregiver shall contact~~
 20.12 ~~the commissioner to redetermine the payment under Northstar Care for Children. The~~
 20.13 ~~monthly amount of the payment under Northstar Care for Children must be the amount the~~
 20.14 ~~child was determined to be eligible for prior to consideration of any offset.~~

20.15 ~~(d) If the monthly payment received on behalf of the child under retirement survivor's~~
 20.16 ~~disability insurance, veteran's benefits, railroad retirement benefits, or black lung benefits~~
 20.17 ~~changes after the adoption assistance or Northstar kinship assistance agreement is finalized,~~
 20.18 ~~the permanent caregiver shall notify the commissioner as to the new monthly payment~~
 20.19 ~~amount, regardless of the amount of the change in payment. If the monthly payment changes~~
 20.20 ~~by \$75 or more, even if the change occurs incrementally over the duration of the term of~~
 20.21 ~~the adoption assistance or Northstar kinship assistance agreement, the monthly payment~~
 20.22 ~~under Northstar Care for Children must be adjusted without further consent to reflect the~~
 20.23 ~~amount of the increase or decrease in the offset amount. Any subsequent change to the~~
 20.24 ~~payment must be reported and handled in the same manner. A change of monthly payments~~
 20.25 ~~of less than \$75 is not a permissible reason to renegotiate the adoption assistance or Northstar~~
 20.26 ~~kinship assistance agreement under section 256N.25, subdivision 3. The commissioner shall~~
 20.27 ~~review and revise the limit at which the adoption assistance or Northstar kinship assistance~~
 20.28 ~~agreement must be renegotiated in accordance with subdivision 9.~~

20.29 Sec. 29. Minnesota Statutes 2020, section 256P.01, is amended by adding a subdivision
 20.30 to read:

20.31 Subd. 9. Prospective budgeting. "Prospective budgeting" means estimating the amount
 20.32 of monthly income that an assistance unit will have in the payment month.

20.33 EFFECTIVE DATE. This section is effective March 1, 2023.

21.1 Sec. 30. Minnesota Statutes 2020, section 256P.04, subdivision 4, is amended to read:

21.2 Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at application:

21.3 (1) identity of adults;

21.4 (2) age, if necessary to determine eligibility;

21.5 (3) immigration status;

21.6 (4) income;

21.7 (5) spousal support and child support payments made to persons outside the household;

21.8 (6) vehicles;

21.9 (7) checking and savings accounts;

21.10 (8) inconsistent information, if related to eligibility;

21.11 (9) residence; and

21.12 (10) Social Security number; ~~and~~ and

21.13 ~~(11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2), item~~

21.14 ~~(ix), for the intended purpose for which it was given and received.~~

21.15 (b) Applicants who are qualified noncitizens and victims of domestic violence as defined
21.16 under section 256J.08, subdivision 73, clause (7), are not required to verify the information
21.17 in paragraph (a), clause (10). When a Social Security number is not provided to the agency
21.18 for verification, this requirement is satisfied when each member of the assistance unit
21.19 cooperates with the procedures for verification of Social Security numbers, issuance of
21.20 duplicate cards, and issuance of new numbers which have been established jointly between
21.21 the Social Security Administration and the commissioner.

21.22 **EFFECTIVE DATE.** This section is effective March 1, 2023.

21.23 Sec. 31. Minnesota Statutes 2020, section 256P.04, subdivision 8, is amended to read:

21.24 Subd. 8. **Recertification.** The agency shall recertify eligibility ~~in an annual interview~~
21.25 ~~with the participant. The interview may be conducted by telephone, by Internet telepresence,~~
21.26 ~~or face-to-face in the county office or in another location mutually agreed upon. A participant~~
21.27 ~~must be given the option of a telephone interview or Internet telepresence to recertify~~
21.28 ~~eligibility annually. During the interview~~ recertification and reporting under section 256P.10,
21.29 the agency shall verify the following:

21.30 (1) income, unless excluded, including self-employment earnings;

22.1 (2) assets when the value is within \$200 of the asset limit; and

22.2 (3) inconsistent information, if related to eligibility.

22.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

22.4 Sec. 32. Minnesota Statutes 2020, section 256P.06, subdivision 3, is amended to read:

22.5 Subd. 3. **Income inclusions.** The following must be included in determining the income
22.6 of an assistance unit:

22.7 (1) earned income; and

22.8 (2) unearned income, which includes:

22.9 (i) interest and dividends from investments and savings;

22.10 (ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

22.11 (iii) proceeds from rent and contract for deed payments in excess of the principal and
22.12 interest portion owed on property;

22.13 (iv) income from trusts, excluding special needs and supplemental needs trusts;

22.14 (v) interest income from loans made by the participant or household;

22.15 (vi) cash prizes and winnings according to guidance provided for the Supplemental
22.16 Nutrition Assistance Program;

22.17 (vii) unemployment insurance income that is received by an adult member of the
22.18 assistance unit unless the individual receiving unemployment insurance income is:

22.19 (A) 18 years of age and enrolled in a secondary school; or

22.20 (B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;

22.21 (viii) retirement, survivors, and disability insurance payments;

22.22 ~~(ix) nonrecurring income over \$60 per quarter unless earmarked and used for the purpose~~
22.23 ~~for which it is intended. Income and use of this income is subject to verification requirements~~
22.24 ~~under section 256P.04;~~

22.25 ~~(x)~~ (ix) retirement benefits;

22.26 ~~(xi)~~ (x) cash assistance benefits, as defined by each program in chapters 119B, 256D,
22.27 256I, and 256J;

22.28 ~~(xii)~~ (xi) tribal per capita payments unless excluded by federal and state law;

23.1 ~~(xiii)~~ (xii) income and payments from service and rehabilitation programs that meet or
 23.2 exceed the state's minimum wage rate;

23.3 ~~(xiv)~~ (xiii) income from members of the United States armed forces unless excluded
 23.4 from income taxes according to federal or state law;

23.5 ~~(xv)~~ (xiv) all child support payments for programs under chapters 119B, 256D, and 256I;

23.6 ~~(xvi)~~ (xv) the amount of child support received that exceeds \$100 for assistance units
 23.7 with one child and \$200 for assistance units with two or more children for programs under
 23.8 chapter 256J; and

23.9 ~~(xvii)~~ (xvi) spousal support.

23.10 **EFFECTIVE DATE.** This section is effective March 1, 2023, except subdivision 3,
 23.11 paragraph (2), clause (vii), which is effective the day following final enactment.

23.12 Sec. 33. Minnesota Statutes 2020, section 256P.07, is amended to read:

23.13 **256P.07 REPORTING OF ~~INCOME AND~~ CHANGES.**

23.14 Subdivision 1. **Exempted programs.** Participants who receive Supplemental Security
 23.15 Income and qualify for Minnesota supplemental aid under chapter 256D and or for housing
 23.16 support under chapter 256I on the basis of eligibility for Supplemental Security Income are
 23.17 exempt from ~~this section~~ reporting income.

23.18 **Subd. 1a. Child care assistance programs.** Participants who qualify for child care
 23.19 assistance programs under chapter 119B are exempt from this section except for the reporting
 23.20 requirements in subdivision 6.

23.21 **Subd. 2. Reporting requirements.** An applicant or participant must provide information
 23.22 on an application and any subsequent reporting forms about the assistance unit's
 23.23 circumstances that affect eligibility or benefits. An applicant or assistance unit must report
 23.24 changes identified in ~~subdivision~~ subdivisions 3, 4, 5, 7, 8, and 9 during the application
 23.25 period or by the tenth of the month following the month that the change occurred. When
 23.26 information is not accurately reported, both an overpayment and a referral for a fraud
 23.27 investigation may result. When information or documentation is not provided, the receipt
 23.28 of any benefit may be delayed or denied, depending on the type of information required
 23.29 and its effect on eligibility.

23.30 **Subd. 3. Changes that must be reported.** ~~An assistance unit must report the changes~~
 23.31 ~~or anticipated changes specified in clauses (1) to (12) within ten days of the date they occur,~~
 23.32 ~~at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or~~

24.1 ~~within eight calendar days of a reporting period, whichever occurs first. An assistance unit~~
24.2 ~~must report other changes at the time of recertification of eligibility under section 256P.04,~~
24.3 ~~subdivisions 8 and 9, or at the end of a reporting period, as applicable. When an agency~~
24.4 ~~could have reduced or terminated assistance for one or more payment months if a delay in~~
24.5 ~~reporting a change specified under clauses (1) to (12) had not occurred, the agency must~~
24.6 ~~determine whether a timely notice could have been issued on the day that the change~~
24.7 ~~occurred. When a timely notice could have been issued, each month's overpayment~~
24.8 ~~subsequent to that notice must be considered a client error overpayment under section~~
24.9 ~~119B.11, subdivision 2a, or 256P.08. Changes in circumstances that must be reported within~~
24.10 ~~ten days must also be reported for the reporting period in which those changes occurred.~~
24.11 ~~Within ten days, an assistance unit must report:~~

24.12 ~~(1) a change in earned income of \$100 per month or greater with the exception of a~~
24.13 ~~program under chapter 119B;~~

24.14 ~~(2) a change in unearned income of \$50 per month or greater with the exception of a~~
24.15 ~~program under chapter 119B;~~

24.16 ~~(3) a change in employment status and hours with the exception of a program under~~
24.17 ~~chapter 119B;~~

24.18 ~~(4) a change in address or residence;~~

24.19 ~~(5) a change in household composition with the exception of programs under chapter~~
24.20 ~~256I;~~

24.21 ~~(6) a receipt of a lump-sum payment with the exception of a program under chapter~~
24.22 ~~119B;~~

24.23 ~~(7) an increase in assets if over \$9,000 with the exception of programs under chapter~~
24.24 ~~119B;~~

24.25 ~~(8) a change in citizenship or immigration status;~~

24.26 ~~(9) a change in family status with the exception of programs under chapter 256I;~~

24.27 ~~(10) a change in disability status of a unit member, with the exception of programs under~~
24.28 ~~chapter 119B;~~

24.29 ~~(11) a new rent subsidy or a change in rent subsidy with the exception of a program~~
24.30 ~~under chapter 119B; and~~

25.1 ~~(12) a sale, purchase, or transfer of real property with the exception of a program under~~
 25.2 ~~chapter 119B. An assistance unit must report changes or anticipated changes as described~~
 25.3 ~~in this section.~~

25.4 (a) An assistance unit must report:

25.5 (1) a change in eligibility for Supplemental Security Income, Retirement Survivors
 25.6 Disability Insurance, or another federal income support;

25.7 (2) a change in address or residence;

25.8 (3) a change in household composition with the exception of programs under chapter
 25.9 256I;

25.10 (4) cash prizes and winnings according to guidance provided for the Supplemental
 25.11 Nutrition Assistance Program;

25.12 (5) a change in citizenship or immigration status;

25.13 (6) a change in family status with the exception of programs under chapter 256I; and

25.14 (7) assets when the value is at or above the asset limit.

25.15 (b) When an agency could have reduced or terminated assistance for one or more payment
 25.16 months if a delay in reporting a change specified in clauses (1) to (7) had not occurred, the
 25.17 agency must determine whether a timely notice could have been issued on the day that the
 25.18 change occurred. When a timely notice could have been issued, each month's overpayment
 25.19 subsequent to the notice must be considered a client error overpayment under section
 25.20 256P.08.

25.21 Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit under
 25.22 chapter 256J, ~~within ten days of the change,~~ must report:

25.23 (1) a pregnancy not resulting in birth when there are no other minor children; ~~and~~

25.24 (2) a change in school attendance of a parent under 20 years of age ~~or of an employed~~
 25.25 ~~child;~~ and

25.26 (3) an individual who is 18 or 19 years of age attending high school who graduates or
 25.27 drops out of school.

25.28 Subd. 5. **DWP-specific reporting.** In addition to subdivisions 3 and 4, an assistance
 25.29 unit participating in the diversionary work program under section 256J.95 must report on
 25.30 an application:

25.31 (1) shelter expenses; and

26.1 (2) utility expenses.

26.2 Subd. 6. **Child care assistance programs-specific reporting.** (a) ~~In addition to~~
 26.3 ~~subdivision 3,~~ An assistance unit under chapter 119B, within ten days of the change, must
 26.4 report:

26.5 (1) a change in a parentally responsible individual's custody schedule for any child
 26.6 receiving child care assistance program benefits;

26.7 (2) a permanent end in a parentally responsible individual's authorized activity; ~~and~~

26.8 (3) if the unit's family's annual included income exceeds 85 percent of the state median
 26.9 income, adjusted for family size;

26.10 (4) a change in address or residence;

26.11 (5) a change in household composition;

26.12 (6) a change in citizenship or immigration status; and

26.13 (7) a change in family status.

26.14 (b) An assistance unit subject to section 119B.095, subdivision 1, paragraph (b), must
 26.15 report a change in the unit's authorized activity status.

26.16 (c) An assistance unit must notify the county when the unit wants to reduce the number
 26.17 of authorized hours for children in the unit.

26.18 Subd. 7. **Minnesota supplemental aid-specific reporting.** (a) In addition to subdivision
 26.19 3 and notwithstanding the exemption in subdivision 1, an assistance unit participating in
 26.20 the Minnesota supplemental aid program under ~~section 256D.44, subdivision 5, paragraph~~
 26.21 ~~(g), within ten days of the change,~~ chapter 256D must report ~~shelter expenses.:~~

26.22 (1) a change in unearned income of \$50 per month or greater; and

26.23 (2) a change in earned income of \$100 per month or greater.

26.24 (b) An assistance unit receiving housing assistance under section 256D.44, subdivision
 26.25 5, paragraph (g), including assistance units who also receive Supplemental Security Income,
 26.26 must report:

26.27 (1) a change in shelter expenses; and

26.28 (2) a new rent subsidy or a change in a rent subsidy.

26.29 Subd. 8. **Housing support-specific reporting.** (a) In addition to subdivision 3, an
 26.30 assistance unit participating in the housing support program under chapter 256I must report:

27.1 (1) a change in unearned income of \$50 per month or greater; and

27.2 (2) a change in earned income of \$100 per month or greater, with the exception of
 27.3 participants already subject to six-month reporting requirements in section 256P.10.

27.4 (b) Notwithstanding the exemptions in subdivisions 1 and 3, an assistance unit receiving
 27.5 housing support under chapter 256I, including an assistance unit that receives Supplemental
 27.6 Security Income, must report:

27.7 (1) a new rent subsidy or a change in a rent subsidy;

27.8 (2) a change in the disability status of a unit member; and

27.9 (3) a change in household composition if the assistance unit is a participant in housing
 27.10 support under section 256I.04, subdivision 3, paragraph (a), clause (3).

27.11 Subd. 9. **General assistance-specific reporting.** In addition to subdivision 3, an
 27.12 assistance unit participating in the general assistance program under chapter 256D must
 27.13 report:

27.14 (1) a change in unearned income of \$50 per month or greater;

27.15 (2) a change in earned income of \$100 per month or greater, with the exception of
 27.16 participants who are already subject to six-month reporting requirements in section 256P.10;
 27.17 and

27.18 (3) changes in any condition that would result in the loss of a basis for eligibility in
 27.19 section 256D.05, subdivision 1, paragraph (a).

27.20 **EFFECTIVE DATE.** This section is effective March 1, 2023.

27.21 Sec. 34. **[256P.09] PROSPECTIVE BUDGETING OF BENEFITS.**

27.22 Subdivision 1. **Exempted programs.** Assistance units who qualify for child care
 27.23 assistance programs under chapter 119B; housing support assistance units under chapter
 27.24 256I who are not subject to reporting under section 256P.10; and assistance units who
 27.25 qualify for Minnesota Supplemental Aid under chapter 256D are exempt from this section.

27.26 Subd. 2. **Prospective budgeting of benefits.** An agency must use prospective budgeting
 27.27 to calculate an assistance payment amount.

27.28 Subd. 3. **Income changes.** Prospective budgeting must be used to determine the amount
 27.29 of the assistance unit's benefit for the following six-month period. An increase in income
 27.30 shall not affect an assistance unit's eligibility or benefit amount until the next case review

28.1 unless otherwise required by section 256P.07. A decrease in income shall be effective on
28.2 the date that the change occurs.

28.3 **EFFECTIVE DATE.** This section is effective March 1, 2023.

28.4 Sec. 35. **[256P.10] SIX-MONTH REPORTING.**

28.5 Subdivision 1. **Exempted programs.** Assistance units who qualify for child care
28.6 assistance programs under chapter 119B; assistance units who qualify for Minnesota
28.7 Supplemental Aid under chapter 256D; and assistance units who qualify for housing support
28.8 under chapter 256I and also receive Supplemental Security Income are exempt from this
28.9 section.

28.10 Subd. 2. **Reporting.** (a) Every six months, an assistance unit that qualifies for the
28.11 Minnesota family investment program under chapter 256J; an assistance unit that qualifies
28.12 for general assistance under chapter 256D with earned income of \$100 per month or greater;
28.13 or an assistance unit that qualifies for housing support under chapter 256I with earned
28.14 income of \$100 per month or greater is subject to six month case reviews. The initial
28.15 reporting period may be shorter than six months in order to align with other program reporting
28.16 periods.

28.17 (b) An assistance unit that qualifies for the Minnesota family investment program and
28.18 an assistance unit that qualifies for general assistance as described in paragraph (a) must
28.19 complete household report forms as prescribed by the commissioner for redetermination of
28.20 benefits.

28.21 (c) An assistance unit that qualifies for housing support as described in paragraph (a)
28.22 must complete household report forms as prescribed by the commissioner to provide
28.23 information about earned income.

28.24 (d) An assistance unit that qualifies for housing support and also receives assistance
28.25 through the Minnesota family investment program shall be subject to the requirements of
28.26 this section for purposes of the Minnesota family investment program but not for housing
28.27 support.

28.28 (e) An assistance unit must submit a household report form in compliance with the
28.29 provisions in section 256P.04, subdivision 11.

28.30 (f) An assistance unit may choose to report changes under this section at any time.

28.31 Subd. 3. **When to terminate assistance.** (a) An agency must end benefits when the
28.32 participant fails to submit the household report form before the end of the six month review

29.1 period. If the participant submits the household report form within 30 days of the termination
 29.2 of benefits, benefits must be reinstated and made available retroactively for the full benefit
 29.3 month.

29.4 (b) When an assistance unit is determined to be ineligible for assistance according to
 29.5 this section and chapter 256D, 256I, or 256J, the agency must terminate assistance

29.6 **EFFECTIVE DATE.** This section is effective March 1, 2023.

29.7 Sec. 36. **REPEALER.**

29.8 (a) Minnesota Statutes 2020, sections 256D.051, subdivisions 1, 1a, 2, 2a, 3, 3a, 3b, 6b,
 29.9 6c, 7, 8, 9, and 18; and 256D.052, subdivision 3, are repealed.

29.10 (b) Minnesota Statutes 2020, sections 256J.08, subdivisions 10, 53, 61, 62, 81, and 83;
 29.11 256J.30, subdivisions 5, 7, and 8; 256J.33, subdivisions 3, 4, and 5; 256J.34, subdivisions
 29.12 1, 2, 3, and 4; and 256J.37, subdivision 10, are repealed.

29.13 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2021. Paragraph (b) is effective
 29.14 March 1, 2023.

29.15 **ARTICLE 2**

29.16 **COMMUNITY SUPPORTS**

29.17 Section 1. Minnesota Statutes 2020, section 245A.03, subdivision 7, is amended to read:

29.18 Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license
 29.19 for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult
 29.20 foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter
 29.21 for a physical location that will not be the primary residence of the license holder for the
 29.22 entire period of licensure. If a license is issued during this moratorium, and the license
 29.23 holder changes the license holder's primary residence away from the physical location of
 29.24 the foster care license, the commissioner shall revoke the license according to section
 29.25 245A.07. The commissioner shall not issue an initial license for a community residential
 29.26 setting licensed under chapter 245D. When approving an exception under this paragraph,
 29.27 the commissioner shall consider the resource need determination process in paragraph (h),
 29.28 the availability of foster care licensed beds in the geographic area in which the licensee
 29.29 seeks to operate, the results of a person's choices during their annual assessment and service
 29.30 plan review, and the recommendation of the local county board. The determination by the
 29.31 commissioner is final and not subject to appeal. Exceptions to the moratorium include:

29.32 (1) foster care settings that are required to be registered under chapter 144D;

30.1 (2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or
 30.2 community residential setting licenses replacing adult foster care licenses in existence on
 30.3 December 31, 2013, and determined to be needed by the commissioner under paragraph
 30.4 (b);

30.5 (3) new foster care licenses or community residential setting licenses determined to be
 30.6 needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD,
 30.7 or regional treatment center; restructuring of state-operated services that limits the capacity
 30.8 of state-operated facilities; or allowing movement to the community for people who no
 30.9 longer require the level of care provided in state-operated facilities as provided under section
 30.10 256B.092, subdivision 13, or 256B.49, subdivision 24;

30.11 (4) new foster care licenses or community residential setting licenses determined to be
 30.12 needed by the commissioner under paragraph (b) for persons requiring hospital level care;
 30.13 ~~or~~

30.14 (5) new foster care licenses or community residential setting licenses for people receiving
 30.15 services under chapter 245D and residing in an unlicensed setting before May 1, 2017, and
 30.16 for which a license is required. This exception does not apply to people living in their own
 30.17 home. For purposes of this clause, there is a presumption that a foster care or community
 30.18 residential setting license is required for services provided to three or more people in a
 30.19 dwelling unit when the setting is controlled by the provider. A license holder subject to this
 30.20 exception may rebut the presumption that a license is required by seeking a reconsideration
 30.21 of the commissioner's determination. The commissioner's disposition of a request for
 30.22 reconsideration is final and not subject to appeal under chapter 14. The exception is available
 30.23 until June 30, 2018. This exception is available when:

30.24 (i) the person's case manager provided the person with information about the choice of
 30.25 service, service provider, and location of service, including in the person's home, to help
 30.26 the person make an informed choice; and

30.27 (ii) the person's services provided in the licensed foster care or community residential
 30.28 setting are less than or equal to the cost of the person's services delivered in the unlicensed
 30.29 setting as determined by the lead agency; or

30.30 (6) new foster care licenses or community residential setting licenses for people receiving
 30.31 customized living or 24-hour customized living services under the brain injury or community
 30.32 access for disability inclusion waiver plans under section 256B.49 and residing in the
 30.33 customized living setting before July 1, 2022, for which a license is required. A customized
 30.34 living service provider subject to this exception may rebut the presumption that a license

31.1 is required by seeking a reconsideration of the commissioner's determination. The
31.2 commissioner's disposition of a request for reconsideration is final and not subject to appeal
31.3 under chapter 14. The exception is available until June 30, 2023. This exception is available
31.4 when:

31.5 (i) the person's customized living services are provided in a customized living service
31.6 setting serving four or fewer people under the brain injury or community access for disability
31.7 inclusion waiver plans under section 256B.49 in a single-family home operational on or
31.8 before June 30, 2021. Operational is defined in section 256B.49, subdivision 28;

31.9 (ii) the person's case manager provided the person with information about the choice of
31.10 service, service provider, and location of service, including in the person's home, to help
31.11 the person make an informed choice; and

31.12 (iii) the person's services provided in the licensed foster care or community residential
31.13 setting are less than or equal to the cost of the person's services delivered in the customized
31.14 living setting as determined by the lead agency.

31.15 (b) The commissioner shall determine the need for newly licensed foster care homes or
31.16 community residential settings as defined under this subdivision. As part of the determination,
31.17 the commissioner shall consider the availability of foster care capacity in the area in which
31.18 the licensee seeks to operate, and the recommendation of the local county board. The
31.19 determination by the commissioner must be final. A determination of need is not required
31.20 for a change in ownership at the same address.

31.21 (c) When an adult resident served by the program moves out of a foster home that is not
31.22 the primary residence of the license holder according to section 256B.49, subdivision 15,
31.23 paragraph (f), or the adult community residential setting, the county shall immediately
31.24 inform the Department of Human Services Licensing Division. The department may decrease
31.25 the statewide licensed capacity for adult foster care settings.

31.26 (d) Residential settings that would otherwise be subject to the decreased license capacity
31.27 established in paragraph (c) shall be exempt if the license holder's beds are occupied by
31.28 residents whose primary diagnosis is mental illness and the license holder is certified under
31.29 the requirements in subdivision 6a or section 245D.33.

31.30 (e) A resource need determination process, managed at the state level, using the available
31.31 reports required by section 144A.351, and other data and information shall be used to
31.32 determine where the reduced capacity determined under section 256B.493 will be
31.33 implemented. The commissioner shall consult with the stakeholders described in section
31.34 144A.351, and employ a variety of methods to improve the state's capacity to meet the

32.1 informed decisions of those people who want to move out of corporate foster care or
32.2 community residential settings, long-term service needs within budgetary limits, including
32.3 seeking proposals from service providers or lead agencies to change service type, capacity,
32.4 or location to improve services, increase the independence of residents, and better meet
32.5 needs identified by the long-term services and supports reports and statewide data and
32.6 information.

32.7 (f) At the time of application and reapplication for licensure, the applicant and the license
32.8 holder that are subject to the moratorium or an exclusion established in paragraph (a) are
32.9 required to inform the commissioner whether the physical location where the foster care
32.10 will be provided is or will be the primary residence of the license holder for the entire period
32.11 of licensure. If the primary residence of the applicant or license holder changes, the applicant
32.12 or license holder must notify the commissioner immediately. The commissioner shall print
32.13 on the foster care license certificate whether or not the physical location is the primary
32.14 residence of the license holder.

32.15 (g) License holders of foster care homes identified under paragraph (f) that are not the
32.16 primary residence of the license holder and that also provide services in the foster care home
32.17 that are covered by a federally approved home and community-based services waiver, as
32.18 authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human
32.19 services licensing division that the license holder provides or intends to provide these
32.20 waiver-funded services.

32.21 (h) The commissioner may adjust capacity to address needs identified in section
32.22 144A.351. Under this authority, the commissioner may approve new licensed settings or
32.23 delicense existing settings. Delicensing of settings will be accomplished through a process
32.24 identified in section 256B.493. Annually, by August 1, the commissioner shall provide
32.25 information and data on capacity of licensed long-term services and supports, actions taken
32.26 under the subdivision to manage statewide long-term services and supports resources, and
32.27 any recommendations for change to the legislative committees with jurisdiction over the
32.28 health and human services budget.

32.29 (i) The commissioner must notify a license holder when its corporate foster care or
32.30 community residential setting licensed beds are reduced under this section. The notice of
32.31 reduction of licensed beds must be in writing and delivered to the license holder by certified
32.32 mail or personal service. The notice must state why the licensed beds are reduced and must
32.33 inform the license holder of its right to request reconsideration by the commissioner. The
32.34 license holder's request for reconsideration must be in writing. If mailed, the request for
32.35 reconsideration must be postmarked and sent to the commissioner within 20 calendar days

33.1 after the license holder's receipt of the notice of reduction of licensed beds. If a request for
33.2 reconsideration is made by personal service, it must be received by the commissioner within
33.3 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

33.4 (j) The commissioner shall not issue an initial license for children's residential treatment
33.5 services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter
33.6 for a program that Centers for Medicare and Medicaid Services would consider an institution
33.7 for mental diseases. Facilities that serve only private pay clients are exempt from the
33.8 moratorium described in this paragraph. The commissioner has the authority to manage
33.9 existing statewide capacity for children's residential treatment services subject to the
33.10 moratorium under this paragraph and may issue an initial license for such facilities if the
33.11 initial license would not increase the statewide capacity for children's residential treatment
33.12 services subject to the moratorium under this paragraph.

33.13 **EFFECTIVE DATE.** This section is effective July 1, 2022.

33.14 Sec. 2. Minnesota Statutes 2020, section 254B.05, subdivision 5, is amended to read:

33.15 Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance
33.16 use disorder services and service enhancements funded under this chapter.

33.17 (b) Eligible substance use disorder treatment services include:

33.18 (1) outpatient treatment services that are licensed according to sections 245G.01 to
33.19 245G.17, or applicable tribal license;

33.20 (2) comprehensive assessments provided according to sections 245.4863, paragraph (a),
33.21 and 245G.05;

33.22 (3) care coordination services provided according to section 245G.07, subdivision 1,
33.23 paragraph (a), clause (5);

33.24 (4) peer recovery support services provided according to section 245G.07, subdivision
33.25 2, clause (8);

33.26 (5) on July 1, 2019, or upon federal approval, whichever is later, withdrawal management
33.27 services provided according to chapter 245F;

33.28 (6) medication-assisted therapy services that are licensed according to sections 245G.01
33.29 to 245G.17 and 245G.22, or applicable tribal license;

33.30 (7) medication-assisted therapy plus enhanced treatment services that meet the
33.31 requirements of clause (6) and provide nine hours of clinical services each week;

34.1 (8) high, medium, and low intensity residential treatment services that are licensed
34.2 according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which
34.3 provide, respectively, 30, 15, and five hours of clinical services each week;

34.4 (9) hospital-based treatment services that are licensed according to sections 245G.01 to
34.5 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to
34.6 144.56;

34.7 (10) adolescent treatment programs that are licensed as outpatient treatment programs
34.8 according to sections 245G.01 to 245G.18 or as residential treatment programs according
34.9 to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or
34.10 applicable tribal license;

34.11 (11) high-intensity residential treatment services that are licensed according to sections
34.12 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide 30 hours of
34.13 clinical services each week provided by a state-operated vendor or to clients who have been
34.14 civilly committed to the commissioner, present the most complex and difficult care needs,
34.15 and are a potential threat to the community; and

34.16 (12) room and board facilities that meet the requirements of subdivision 1a.

34.17 ~~(e) The commissioner shall establish higher rates for programs that meet the requirements~~
34.18 ~~of paragraph (b) and one of the following additional requirements:~~

34.19 ~~(1) programs that serve parents with their children if the program:~~

34.20 ~~(i) provides on-site child care during the hours of treatment activity that:~~

34.21 ~~(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter~~
34.22 ~~9503; or~~

34.23 ~~(B) meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph~~
34.24 ~~(a), clause (6), and meets the requirements under section 245G.19, subdivision 4; or~~

34.25 ~~(ii) arranges for off-site child care during hours of treatment activity at a facility that is~~
34.26 ~~licensed under chapter 245A as:~~

34.27 ~~(A) a child care center under Minnesota Rules, chapter 9503; or~~

34.28 ~~(B) a family child care home under Minnesota Rules, chapter 9502;~~

34.29 ~~(2) culturally specific programs as defined in section 254B.01, subdivision 4a, or~~
34.30 ~~programs or subprograms serving special populations, if the program or subprogram meets~~
34.31 ~~the following requirements:~~

35.1 ~~(i) is designed to address the unique needs of individuals who share a common language,~~
35.2 ~~racial, ethnic, or social background;~~

35.3 ~~(ii) is governed with significant input from individuals of that specific background; and~~

35.4 ~~(iii) employs individuals to provide individual or group therapy, at least 50 percent of~~
35.5 ~~whom are of that specific background, except when the common social background of the~~
35.6 ~~individuals served is a traumatic brain injury or cognitive disability and the program employs~~
35.7 ~~treatment staff who have the necessary professional training, as approved by the~~
35.8 ~~commissioner, to serve clients with the specific disabilities that the program is designed to~~
35.9 ~~serve;~~

35.10 ~~(3) programs that offer medical services delivered by appropriately credentialed health~~
35.11 ~~care staff in an amount equal to two hours per client per week if the medical needs of the~~
35.12 ~~client and the nature and provision of any medical services provided are documented in the~~
35.13 ~~client file; and~~

35.14 ~~(4) programs that offer services to individuals with co-occurring mental health and~~
35.15 ~~chemical dependency problems if:~~

35.16 ~~(i) the program meets the co-occurring requirements in section 245G.20;~~

35.17 ~~(ii) 25 percent of the counseling staff are licensed mental health professionals, as defined~~
35.18 ~~in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing candidates~~
35.19 ~~under the supervision of a licensed alcohol and drug counselor supervisor and licensed~~
35.20 ~~mental health professional, except that no more than 50 percent of the mental health staff~~
35.21 ~~may be students or licensing candidates with time documented to be directly related to~~
35.22 ~~provisions of co-occurring services;~~

35.23 ~~(iii) clients scoring positive on a standardized mental health screen receive a mental~~
35.24 ~~health diagnostic assessment within ten days of admission;~~

35.25 ~~(iv) the program has standards for multidisciplinary case review that include a monthly~~
35.26 ~~review for each client that, at a minimum, includes a licensed mental health professional~~
35.27 ~~and licensed alcohol and drug counselor, and their involvement in the review is documented;~~

35.28 ~~(v) family education is offered that addresses mental health and substance abuse disorders~~
35.29 ~~and the interaction between the two; and~~

35.30 ~~(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder~~
35.31 ~~training annually.~~

36.1 ~~(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program~~
 36.2 ~~that provides arrangements for off-site child care must maintain current documentation at~~
 36.3 ~~the chemical dependency facility of the child care provider's current licensure to provide~~
 36.4 ~~child care services. Programs that provide child care according to paragraph (c), clause (1),~~
 36.5 ~~must be deemed in compliance with the licensing requirements in section 245G.19.~~

36.6 ~~(e) Adolescent residential programs that meet the requirements of Minnesota Rules,~~
 36.7 ~~parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements~~
 36.8 ~~in paragraph (c), clause (4), items (i) to (iv).~~

36.9 ~~(f) (e) Subject to federal approval, chemical dependency substance use disorder services~~
 36.10 ~~that are otherwise covered as direct face-to-face services may be provided via two-way~~
 36.11 ~~interactive video according to section 256B.0625, subdivision 3b. The use of two-way~~
 36.12 ~~interactive video must be medically appropriate to the condition and needs of the person~~
 36.13 ~~being served. Reimbursement shall be at the same rates and under the same conditions that~~
 36.14 ~~would otherwise apply to direct face-to-face services. The interactive video equipment and~~
 36.15 ~~connection must comply with Medicare standards in effect at the time the service is provided.~~

36.16 ~~(g) (f)~~ For the purpose of reimbursement under this section, substance use disorder
 36.17 treatment services provided in a group setting without a group participant maximum or
 36.18 maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of
 36.19 48 to one. At least one of the attending staff must meet the qualifications as established
 36.20 under this chapter for the type of treatment service provided. A recovery peer may not be
 36.21 included as part of the staff ratio.

36.22 ~~(g) Payment for outpatient substance use disorder services that are licensed according~~
 36.23 ~~to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless~~
 36.24 ~~prior authorization of a greater number of hours is obtained from the commissioner.~~

36.25 Sec. 3. Minnesota Statutes 2020, section 256.042, subdivision 2, is amended to read:

36.26 Subd. 2. **Membership.** (a) The council shall consist of the following ~~19~~ 28 voting
 36.27 members, appointed by the commissioner of human services except as otherwise specified,
 36.28 and three nonvoting members:

36.29 (1) two members of the house of representatives, appointed in the following sequence:
 36.30 the first from the majority party appointed by the speaker of the house and the second from
 36.31 the minority party appointed by the minority leader. Of these two members, one member
 36.32 must represent a district outside of the seven-county metropolitan area, and one member
 36.33 must represent a district that includes the seven-county metropolitan area. The appointment

37.1 by the minority leader must ensure that this requirement for geographic diversity in
37.2 appointments is met;

37.3 (2) two members of the senate, appointed in the following sequence: the first from the
37.4 majority party appointed by the senate majority leader and the second from the minority
37.5 party appointed by the senate minority leader. Of these two members, one member must
37.6 represent a district outside of the seven-county metropolitan area and one member must
37.7 represent a district that includes the seven-county metropolitan area. The appointment by
37.8 the minority leader must ensure that this requirement for geographic diversity in appointments
37.9 is met;

37.10 (3) one member appointed by the Board of Pharmacy;

37.11 (4) one member who is a physician appointed by the Minnesota Medical Association;

37.12 (5) one member representing opioid treatment programs, sober living programs, or
37.13 substance use disorder programs licensed under chapter 245G;

37.14 (6) one member appointed by the Minnesota Society of Addiction Medicine who is an
37.15 addiction psychiatrist;

37.16 (7) one member representing professionals providing alternative pain management
37.17 therapies, including, but not limited to, acupuncture, chiropractic, or massage therapy;

37.18 (8) one member representing nonprofit organizations conducting initiatives to address
37.19 the opioid epidemic, with the commissioner's initial appointment being a member
37.20 representing the Steve Rumlmer Hope Network, and subsequent appointments representing
37.21 this or other organizations;

37.22 (9) one member appointed by the Minnesota Ambulance Association who is serving
37.23 with an ambulance service as an emergency medical technician, advanced emergency
37.24 medical technician, or paramedic;

37.25 (10) one member representing the Minnesota courts who is a judge or law enforcement
37.26 officer;

37.27 (11) one public member who is a Minnesota resident and who is in opioid addiction
37.28 recovery;

37.29 (12) ~~two~~ 11 members representing Indian tribes, one representing the Ojibwe tribes and
37.30 ~~one representing the Dakota tribes~~ each of Minnesota's tribal nations;

37.31 (13) one public member who is a Minnesota resident and who is suffering from chronic
37.32 pain, intractable pain, or a rare disease or condition;

38.1 (14) one mental health advocate representing persons with mental illness;

38.2 (15) one member appointed by the Minnesota Hospital Association;

38.3 (16) one member representing a local health department; and

38.4 (17) the commissioners of human services, health, and corrections, or their designees,
38.5 who shall be ex officio nonvoting members of the council.

38.6 (b) The commissioner of human services shall coordinate the commissioner's
38.7 appointments to provide geographic, racial, and gender diversity, and shall ensure that at
38.8 least one-half of council members appointed by the commissioner reside outside of the
38.9 seven-county metropolitan area. Of the members appointed by the commissioner, to the
38.10 extent practicable, at least one member must represent a community of color
38.11 disproportionately affected by the opioid epidemic.

38.12 (c) The council is governed by section 15.059, except that members of the council shall
38.13 serve three-year terms and shall receive no compensation other than reimbursement for
38.14 expenses. Notwithstanding section 15.059, subdivision 6, the council shall not expire.

38.15 (d) The chair shall convene the council at least quarterly, and may convene other meetings
38.16 as necessary. The chair shall convene meetings at different locations in the state to provide
38.17 geographic access, and shall ensure that at least one-half of the meetings are held at locations
38.18 outside of the seven-county metropolitan area.

38.19 (e) The commissioner of human services shall provide staff and administrative services
38.20 for the advisory council.

38.21 (f) The council is subject to chapter 13D.

38.22 Sec. 4. Minnesota Statutes 2020, section 256.042, subdivision 4, is amended to read:

38.23 Subd. 4. **Grants.** (a) The commissioner of human services shall submit a report of the
38.24 grants proposed by the advisory council to be awarded for the upcoming ~~fiscal~~ calendar
38.25 year to the chairs and ranking minority members of the legislative committees with
38.26 jurisdiction over health and human services policy and finance, by March 1 of each year,
38.27 beginning March 1, 2020.

38.28 (b) The commissioner of human services shall award grants from the opiate epidemic
38.29 response fund under section 256.043. The grants shall be awarded to proposals selected by
38.30 the advisory council that address the priorities in subdivision 1, paragraph (a), clauses (1)
38.31 to (4), unless otherwise appropriated by the legislature. No more than three percent of the
38.32 grant amount may be used by a grantee for administration.

39.1 Sec. 5. Minnesota Statutes 2020, section 256.043, subdivision 3, is amended to read:

39.2 Subd. 3. **Appropriations from fund.** (a) After the appropriations in Laws 2019, chapter
39.3 63, article 3, section 1, paragraphs (e), (f), (g), and (h) are made, \$249,000 is appropriated
39.4 to the commissioner of human services for the provision of administrative services to the
39.5 Opiate Epidemic Response Advisory Council and for the administration of the grants awarded
39.6 under paragraph (e).

39.7 (b) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration
39.8 fees under section 151.066.

39.9 (c) \$672,000 is appropriated to the commissioner of public safety for the Bureau of
39.10 Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies
39.11 and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

39.12 (d) After the appropriations in paragraphs (a) to (c) are made, 50 percent of the remaining
39.13 amount is appropriated to the commissioner of human services for distribution to county
39.14 social service and tribal social service agencies to provide child protection services to
39.15 children and families who are affected by addiction. The commissioner shall distribute this
39.16 money proportionally to counties and tribal social service agencies based on out-of-home
39.17 placement episodes where parental drug abuse is the primary reason for the out-of-home
39.18 placement using data from the previous calendar year. County and tribal social service
39.19 agencies receiving funds from the opiate epidemic response fund must annually report to
39.20 the commissioner on how the funds were used to provide child protection services, including
39.21 measurable outcomes, as determined by the commissioner. County social service agencies
39.22 and tribal social service agencies must not use funds received under this paragraph to supplant
39.23 current state or local funding received for child protection services for children and families
39.24 who are affected by addiction.

39.25 (e) After making the appropriations in paragraphs (a) to (d), the remaining amount in
39.26 the fund is appropriated to the commissioner to award grants as specified by the Opiate
39.27 Epidemic Response Advisory Council in accordance with section 256.042, unless otherwise
39.28 appropriated by the legislature.

39.29 (f) Beginning in fiscal year 2022 and each year thereafter, funds for county social service
39.30 and tribal social service agencies under paragraph (d) and grant funds specified by the Opiate
39.31 Epidemic Response Advisory Council under paragraph (e) shall be distributed on a calendar
39.32 year basis.

40.1 Sec. 6. Minnesota Statutes 2020, section 256B.0625, subdivision 20, is amended to read:

40.2 Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the
40.3 state agency, medical assistance covers case management services to persons with serious
40.4 and persistent mental illness and children with severe emotional disturbance. Services
40.5 provided under this section must meet the relevant standards in sections 245.461 to 245.4887,
40.6 the Comprehensive Adult and Children's Mental Health Acts, Minnesota Rules, parts
40.7 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

40.8 (b) Entities meeting program standards set out in rules governing family community
40.9 support services as defined in section 245.4871, subdivision 17, are eligible for medical
40.10 assistance reimbursement for case management services for children with severe emotional
40.11 disturbance when these services meet the program standards in Minnesota Rules, parts
40.12 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

40.13 (c) Medical assistance and MinnesotaCare payment for mental health case management
40.14 shall be made on a monthly basis. In order to receive payment for an eligible child, the
40.15 provider must document at least a face-to-face contact with the child, the child's parents, or
40.16 the child's legal representative. To receive payment for an eligible adult, the provider must
40.17 document:

40.18 (1) at least a face-to-face contact with the adult or the adult's legal representative or a
40.19 contact by interactive video that meets the requirements of subdivision 20b; or

40.20 (2) at least a telephone contact with the adult or the adult's legal representative and
40.21 document a face-to-face contact or a contact by interactive video that meets the requirements
40.22 of subdivision 20b with the adult or the adult's legal representative within the preceding
40.23 two months.

40.24 (d) Payment for mental health case management provided by county or state staff shall
40.25 be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph
40.26 (b), with separate rates calculated for child welfare and mental health, and within mental
40.27 health, separate rates for children and adults.

40.28 (e) Payment for mental health case management provided by Indian health services or
40.29 by agencies operated by Indian tribes may be made according to this section or other relevant
40.30 federally approved rate setting methodology.

40.31 (f) Payment for mental health case management provided by vendors who contract with
40.32 a county ~~or Indian tribe shall be based on a monthly rate negotiated by the host county or~~
40.33 ~~tribe~~ must be calculated in accordance with section 256B.076, subdivision 2. Payment for

41.1 mental health case management provided by vendors who contract with a tribe must be
41.2 based on a monthly rate negotiated by the tribe. The ~~negotiated~~ rate must not exceed the
41.3 rate charged by the vendor for the same service to other payers. If the service is provided
41.4 by a team of contracted vendors, the ~~county or tribe may negotiate a team rate with a vendor~~
41.5 ~~who is a member of the team.~~ The team shall determine how to distribute the rate among
41.6 its members. No reimbursement received by contracted vendors shall be returned to the
41.7 county or tribe, except to reimburse the county or tribe for advance funding provided by
41.8 the county or tribe to the vendor.

41.9 (g) If the service is provided by a team which includes contracted vendors, tribal staff,
41.10 and county or state staff, the costs for county or state staff participation in the team shall be
41.11 included in the rate for county-provided services. In this case, the contracted vendor, the
41.12 tribal agency, and the county may each receive separate payment for services provided by
41.13 each entity in the same month. In order to prevent duplication of services, each entity must
41.14 document, in the recipient's file, the need for team case management and a description of
41.15 the roles of the team members.

41.16 (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for
41.17 mental health case management shall be provided by the recipient's county of responsibility,
41.18 as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds
41.19 used to match other federal funds. If the service is provided by a tribal agency, the nonfederal
41.20 share, if any, shall be provided by the recipient's tribe. When this service is paid by the state
41.21 without a federal share through fee-for-service, 50 percent of the cost shall be provided by
41.22 the recipient's county of responsibility.

41.23 (i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance
41.24 and MinnesotaCare include mental health case management. When the service is provided
41.25 through prepaid capitation, the nonfederal share is paid by the state and the county pays no
41.26 share.

41.27 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a provider
41.28 that does not meet the reporting or other requirements of this section. The county of
41.29 responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency,
41.30 is responsible for any federal disallowances. The county or tribe may share this responsibility
41.31 with its contracted vendors.

41.32 (k) The commissioner shall set aside a portion of the federal funds earned for county
41.33 expenditures under this section to repay the special revenue maximization account under
41.34 section 256.01, subdivision 2, paragraph (o). The repayment is limited to:

42.1 (1) the costs of developing and implementing this section; and

42.2 (2) programming the information systems.

42.3 (l) Payments to counties and tribal agencies for case management expenditures under
42.4 this section shall only be made from federal earnings from services provided under this
42.5 section. When this service is paid by the state without a federal share through fee-for-service,
42.6 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors
42.7 shall include the federal earnings, the state share, and the county share.

42.8 (m) Case management services under this subdivision do not include therapy, treatment,
42.9 legal, or outreach services.

42.10 (n) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital,
42.11 and the recipient's institutional care is paid by medical assistance, payment for case
42.12 management services under this subdivision is limited to the lesser of:

42.13 (1) the last 180 days of the recipient's residency in that facility and may not exceed more
42.14 than six months in a calendar year; or

42.15 (2) the limits and conditions which apply to federal Medicaid funding for this service.

42.16 (o) Payment for case management services under this subdivision shall not duplicate
42.17 payments made under other program authorities for the same purpose.

42.18 (p) If the recipient is receiving care in a hospital, nursing facility, or residential setting
42.19 licensed under chapter 245A or 245D that is staffed 24 hours a day, seven days a week,
42.20 mental health targeted case management services must actively support identification of
42.21 community alternatives for the recipient and discharge planning.

42.22 Sec. 7. Minnesota Statutes 2020, section 256B.0759, subdivision 2, is amended to read:

42.23 Subd. 2. **Provider participation.** (a) Outpatient substance use disorder treatment
42.24 providers may elect to participate in the demonstration project and meet the requirements
42.25 of subdivision 3. To participate, a provider must notify the commissioner of the provider's
42.26 intent to participate in a format required by the commissioner and enroll as a demonstration
42.27 project provider.

42.28 (b) Programs licensed by the Department of Human Services as a residential treatment
42.29 program according to section 245G.21 and that receive payment under this chapter must
42.30 enroll as a demonstration project provider and meet the requirements of subdivision 3 by
42.31 January 1, 2022. Programs that do not meet the requirements under this paragraph are
42.32 ineligible for payment for services provided under section 256B.0625.

43.1 (c) Programs licensed by the Department of Human Services as a withdrawal management
43.2 program according to chapter 245F and that receive payment under this chapter must enroll
43.3 as a demonstration project provider and meet the requirements of subdivision 3 by January
43.4 1, 2022. Programs that do not meet the requirements under this paragraph are ineligible for
43.5 payment for services provided under section 256B.0625.

43.6 (d) Out-of-state residential substance use disorder treatment programs that receive
43.7 payment under this chapter must enroll as a demonstration project provider and meet the
43.8 requirements of subdivision 3 by January 1, 2022. Programs that do not meet the requirements
43.9 under this paragraph are ineligible for payment for services provided under section
43.10 256B.0625.

43.11 (e) Tribally licensed programs may elect to participate in the demonstration project and
43.12 meet the requirements of subdivision 3. The Department of Human Services must consult
43.13 with tribal nations to discuss participation in the substance use disorder demonstration
43.14 project.

43.15 **EFFECTIVE DATE.** This section is effective July 1, 2021.

43.16 Sec. 8. Minnesota Statutes 2020, section 256B.0759, subdivision 4, is amended to read:

43.17 Subd. 4. **Provider payment rates.** (a) Payment rates for participating providers must
43.18 be increased for services provided to medical assistance enrollees. To receive a rate increase,
43.19 participating providers must meet demonstration project requirements, provider standards
43.20 under subdivision 3, and provide evidence of formal referral arrangements with providers
43.21 delivering step-up or step-down levels of care.

43.22 (b) The commissioner may temporarily suspend payments to the provider according to
43.23 section 256B.04, subdivision 21, paragraph (d), if the requirements in paragraph (a) are not
43.24 met. Payments withheld from the provider must be made once the commissioner determines
43.25 that the requirements in paragraph (a) are met.

43.26 ~~(b)~~ (c) For substance use disorder services under section 254B.05, subdivision 5,
43.27 paragraph (b), clause (8), provided on or after July 1, 2020, payment rates must be increased
43.28 by 15 percent over the rates in effect on December 31, 2019.

43.29 ~~(e)~~ (d) For substance use disorder services under section 254B.05, subdivision 5,
43.30 paragraph (b), clauses (1), (6), and (7), and adolescent treatment programs that are licensed
43.31 as outpatient treatment programs according to sections 245G.01 to 245G.18, provided on
43.32 or after January 1, 2021, payment rates must be increased by ten percent over the rates in
43.33 effect on December 31, 2020.

44.1 ~~(d)~~ (e) Effective January 1, 2021, and contingent on annual federal approval, managed
44.2 care plans and county-based purchasing plans must reimburse providers of the substance
44.3 use disorder services meeting the criteria described in paragraph (a) who are employed by
44.4 or under contract with the plan an amount that is at least equal to the fee-for-service base
44.5 rate payment for the substance use disorder services described in paragraphs ~~(b)~~ (c) and ~~(e)~~
44.6 (d). The commissioner must monitor the effect of this requirement on the rate of access to
44.7 substance use disorder services and residential substance use disorder rates. Capitation rates
44.8 paid to managed care organizations and county-based purchasing plans must reflect the
44.9 impact of this requirement. This paragraph expires if federal approval is not received at any
44.10 time as required under this paragraph.

44.11 ~~(e)~~ (f) Effective July 1, 2021, contracts between managed care plans and county-based
44.12 purchasing plans and providers to whom paragraph ~~(d)~~ (e) applies must allow recovery of
44.13 payments from those providers if, for any contract year, federal approval for the provisions
44.14 of paragraph ~~(d)~~ (e) is not received, and capitation rates are adjusted as a result. Payment
44.15 recoveries must not exceed the amount equal to any decrease in rates that results from this
44.16 provision.

44.17 **Sec. 9. [256B.076] CASE MANAGEMENT SERVICES.**

44.18 Subdivision 1. **Generally.** (a) It is the policy of this state to ensure that individuals on
44.19 medical assistance receive cost-effective and coordinated care, including efforts to address
44.20 the profound effects of housing instability, food insecurity, and other social determinants
44.21 of health. Therefore, subject to federal approval, medical assistance covers targeted case
44.22 management services as described in this section.

44.23 (b) The commissioner, in collaboration with tribes, counties, providers, and individuals
44.24 served, must propose further modifications to targeted case management services to ensure
44.25 a program that complies with all federal requirements, delivers services in a cost-effective
44.26 and efficient manner, creates uniform expectations for targeted case management services,
44.27 addresses health disparities, and promotes person- and family-centered services.

44.28 Subd. 2. **Rate setting.** (a) The commissioner must develop and implement a statewide
44.29 rate methodology for any county that subcontracts targeted case management services to a
44.30 vendor. On January 1, 2022, or upon federal approval, whichever is later, a county must
44.31 use this methodology for any targeted case management services paid by medical assistance
44.32 and delivered through a subcontractor.

44.33 (b) In setting this rate, the commissioner must include the following:

- 45.1 (1) prevailing wages;
- 45.2 (2) employee-related expense factor;
- 45.3 (3) paid time off and training factors;
- 45.4 (4) supervision and span of control;
- 45.5 (5) distribution of time factor;
- 45.6 (6) administrative factor;
- 45.7 (7) absence factor;
- 45.8 (8) program support factor; and
- 45.9 (9) caseload sizes as described in subdivision 3.
- 45.10 (c) A county may request that the commissioner authorize a rate based on a lower caseload
- 45.11 size when a subcontractor is assigned to serve individuals with needs, such as homelessness
- 45.12 or specific linguistic or cultural needs, that significantly exceed other eligible populations.
- 45.13 A county must include the following in the request:
- 45.14 (1) the number of clients to be served by a full-time equivalent staffer;
- 45.15 (2) the specific factors that require a case manager to provide significantly more hours
- 45.16 of reimbursable services to a client; and
- 45.17 (3) how the county intends to monitor case size and outcomes.
- 45.18 (d) The commissioner must adjust only the factor for caseload in paragraph (b), clause
- 45.19 (9), in response to a request under paragraph (c).
- 45.20 Subd. 3. **Caseload sizes.** A county-subcontracted provider of targeted case management
- 45.21 services to the following populations must not exceed the following limits:
- 45.22 (1) for children with severe emotional disturbance, 15 clients to one full-time equivalent
- 45.23 case manager;
- 45.24 (2) for adults with severe and persistent mental illness, 30 clients to one full-time
- 45.25 equivalent case manager;
- 45.26 (3) for child welfare targeted case management, 45 clients to one full-time equivalent
- 45.27 case manager; and
- 45.28 (4) for vulnerable adults and adults who have developmental disabilities, 45 clients to
- 45.29 one full-time equivalent case manager.

46.1 Sec. 10. Minnesota Statutes 2020, section 256B.092, subdivision 4, is amended to read:

46.2 Subd. 4. **Home and community-based services for developmental disabilities.** (a)

46.3 The commissioner shall make payments to approved vendors participating in the medical
46.4 assistance program to pay costs of providing home and community-based services, including
46.5 case management service activities provided as an approved home and community-based
46.6 service, to medical assistance eligible persons with developmental disabilities who have
46.7 been screened under subdivision 7 and according to federal requirements. Federal
46.8 requirements include those services and limitations included in the federally approved
46.9 application for home and community-based services for persons with developmental
46.10 disabilities and subsequent amendments.

46.11 ~~(b) Effective July 1, 1995, contingent upon federal approval and state appropriations~~
46.12 ~~made available for this purpose, and in conjunction with Laws 1995, chapter 207, article 8,~~
46.13 ~~section 40, the commissioner of human services shall allocate resources to county agencies~~
46.14 ~~for home and community-based waived services for persons with developmental disabilities~~
46.15 ~~authorized but not receiving those services as of June 30, 1995, based upon the average~~
46.16 ~~resource need of persons with similar functional characteristics. To ensure service continuity~~
46.17 ~~for service recipients receiving home and community-based waived services for persons~~
46.18 ~~with developmental disabilities prior to July 1, 1995, the commissioner shall make available~~
46.19 ~~to the county of financial responsibility home and community-based waived services~~
46.20 ~~resources based upon fiscal year 1995 authorized levels.~~

46.21 ~~(c) Home and community-based resources for all recipients shall be managed by the~~
46.22 ~~county of financial responsibility within an allowable reimbursement average established~~
46.23 ~~for each county. Payments for home and community-based services provided to individual~~
46.24 ~~recipients shall not exceed amounts authorized by the county of financial responsibility.~~
46.25 ~~For specifically identified former residents of nursing facilities, the commissioner shall be~~
46.26 ~~responsible for authorizing payments and payment limits under the appropriate home and~~
46.27 ~~community-based service program. Payment is available under this subdivision only for~~
46.28 ~~persons who, if not provided these services, would require the level of care provided in an~~
46.29 ~~intermediate care facility for persons with developmental disabilities.~~

46.30 ~~(d)~~ (b) The commissioner shall comply with the requirements in the federally approved
46.31 transition plan for the home and community-based services waivers for the elderly authorized
46.32 under this section.

47.1 **EFFECTIVE DATE.** This section is effective January 1, 2023, or upon federal approval,
47.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
47.3 when federal approval is obtained.

47.4 Sec. 11. Minnesota Statutes 2020, section 256B.092, subdivision 5, is amended to read:

47.5 Subd. 5. **Federal waivers.** (a) The commissioner shall apply for any federal waivers
47.6 necessary to secure, to the extent allowed by law, federal financial participation under United
47.7 States Code, title 42, sections 1396 et seq., as amended, for the provision of services to
47.8 persons who, in the absence of the services, would need the level of care provided in a
47.9 regional treatment center or a community intermediate care facility for persons with
47.10 developmental disabilities. The commissioner may seek amendments to the waivers or apply
47.11 for additional waivers under United States Code, title 42, sections 1396 et seq., as amended,
47.12 to contain costs. The commissioner shall ensure that payment for the cost of providing home
47.13 and community-based alternative services under the federal waiver plan shall not exceed
47.14 the cost of intermediate care services including day training and habilitation services that
47.15 would have been provided without the waived services.

47.16 The commissioner shall seek an amendment to the 1915c home and community-based
47.17 waiver to allow properly licensed adult foster care homes to provide residential services to
47.18 up to five individuals with developmental disabilities. If the amendment to the waiver is
47.19 approved, adult foster care providers that can accommodate five individuals shall increase
47.20 their capacity to five beds, provided the providers continue to meet all applicable licensing
47.21 requirements.

47.22 (b) The commissioner, in administering home and community-based waivers for persons
47.23 with developmental disabilities, shall ensure that day services for eligible persons are not
47.24 provided by the person's residential service provider, unless the person or the person's legal
47.25 representative is offered a choice of providers and agrees in writing to provision of day
47.26 services by the residential service provider. The coordinated service and support plan for
47.27 individuals who choose to have their residential service provider provide their day services
47.28 must describe how health, safety, protection, and habilitation needs will be met, including
47.29 how frequent and regular contact with persons other than the residential service provider
47.30 will occur. The coordinated service and support plan must address the provision of services
47.31 during the day outside the residence on weekdays.

47.32 (c) When a lead agency is evaluating denials, reductions, or terminations of home and
47.33 community-based services under section 256B.0916 for an individual, the lead agency shall
47.34 offer to meet with the individual or the individual's guardian in order to discuss the

48.1 prioritization of service needs within the coordinated service and support plan. The reduction
48.2 in the authorized services for an individual due to changes in funding for waived services
48.3 may not exceed the amount needed to ensure medically necessary services to meet the
48.4 individual's health, safety, and welfare.

48.5 (d) The commissioner shall seek approval to allow for the reconfiguration of the 1915(c)
48.6 home and community-based waivers in this section, as authorized under section 1915(c) of
48.7 the federal Social Security Act, to implement a two-waiver program structure.

48.8 (e) The commissioner shall seek approval for the 1915(c) home and community-based
48.9 waivers in this section, as authorized under section 1915(c) of the federal Social Security
48.10 Act, to implement an individual resource allocation methodology.

48.11 **EFFECTIVE DATE.** This section is effective January 1, 2023, or upon federal approval,
48.12 whichever is later. The commissioner of human services shall notify the revisor of statutes
48.13 when federal approval is obtained.

48.14 Sec. 12. Minnesota Statutes 2020, section 256B.092, subdivision 12, is amended to read:

48.15 Subd. 12. **Waivered services statewide priorities.** (a) The commissioner shall establish
48.16 statewide priorities for individuals on the waiting list for developmental disabilities (DD)
48.17 waiver services, as of January 1, 2010. The statewide priorities must include, but are not
48.18 limited to, individuals who continue to have a need for waiver services after they have
48.19 maximized the use of state plan services and other funding resources, including natural
48.20 supports, prior to accessing waiver services, and who meet at least one of the following
48.21 criteria:

48.22 (1) no longer require the intensity of services provided where they are currently living;
48.23 or

48.24 (2) make a request to move from an institutional setting.

48.25 (b) After the priorities in paragraph (a) are met, priority must also be given to individuals
48.26 who meet at least one of the following criteria:

48.27 (1) have unstable living situations due to the age, incapacity, or sudden loss of the primary
48.28 caregivers;

48.29 (2) are moving from an institution due to bed closures;

48.30 (3) experience a sudden closure of their current living arrangement;

48.31 (4) require protection from confirmed abuse, neglect, or exploitation;

49.1 (5) experience a sudden change in need that can no longer be met through state plan
49.2 services or other funding resources alone; or

49.3 (6) meet other priorities established by the department.

49.4 (c) When allocating new enrollment resources to lead agencies, the commissioner must
49.5 take into consideration the number of individuals waiting who meet statewide priorities ~~and~~
49.6 ~~the lead agencies' current use of waiver funds and existing service options. The commissioner~~
49.7 ~~has the authority to transfer funds between counties, groups of counties, and tribes to~~
49.8 ~~accommodate statewide priorities and resource needs while accounting for a necessary base~~
49.9 ~~level reserve amount for each county, group of counties, and tribe.~~

49.10 Sec. 13. Minnesota Statutes 2020, section 256B.0924, subdivision 6, is amended to read:

49.11 **Subd. 6. Payment for targeted case management.** (a) Medical assistance and
49.12 MinnesotaCare payment for targeted case management shall be made on a monthly basis.
49.13 In order to receive payment for an eligible adult, the provider must document at least one
49.14 contact per month and not more than two consecutive months without a face-to-face contact
49.15 with the adult or the adult's legal representative, family, primary caregiver, or other relevant
49.16 persons identified as necessary to the development or implementation of the goals of the
49.17 personal service plan.

49.18 (b) Payment for targeted case management provided by county staff under this subdivision
49.19 shall be based on the monthly rate methodology under section 256B.094, subdivision 6,
49.20 paragraph (b), calculated as one combined average rate together with adult mental health
49.21 case management under section 256B.0625, subdivision 20, except for calendar year 2002.
49.22 In calendar year 2002, the rate for case management under this section shall be the same as
49.23 the rate for adult mental health case management in effect as of December 31, 2001. Billing
49.24 and payment must identify the recipient's primary population group to allow tracking of
49.25 revenues.

49.26 (c) Payment for targeted case management provided by county-contracted vendors shall
49.27 be based on a monthly rate ~~negotiated by the host county~~ calculated in accordance with
49.28 section 256B.076, subdivision 2. The ~~negotiated~~ rate must not exceed the rate charged by
49.29 the vendor for the same service to other payers. If the service is provided by a team of
49.30 contracted vendors, the ~~county may negotiate a team rate with a vendor who is a member~~
49.31 ~~of the team.~~ The team shall determine how to distribute the rate among its members. No
49.32 reimbursement received by contracted vendors shall be returned to the county, except to
49.33 reimburse the county for advance funding provided by the county to the vendor.

50.1 (d) If the service is provided by a team that includes contracted vendors and county staff,
50.2 the costs for county staff participation on the team shall be included in the rate for
50.3 county-provided services. In this case, the contracted vendor and the county may each
50.4 receive separate payment for services provided by each entity in the same month. In order
50.5 to prevent duplication of services, the county must document, in the recipient's file, the need
50.6 for team targeted case management and a description of the different roles of the team
50.7 members.

50.8 (e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for
50.9 targeted case management shall be provided by the recipient's county of responsibility, as
50.10 defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds
50.11 used to match other federal funds.

50.12 (f) The commissioner may suspend, reduce, or terminate reimbursement to a provider
50.13 that does not meet the reporting or other requirements of this section. The county of
50.14 responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal
50.15 disallowances. The county may share this responsibility with its contracted vendors.

50.16 (g) The commissioner shall set aside five percent of the federal funds received under
50.17 this section for use in reimbursing the state for costs of developing and implementing this
50.18 section.

50.19 (h) Payments to counties for targeted case management expenditures under this section
50.20 shall only be made from federal earnings from services provided under this section. Payments
50.21 to contracted vendors shall include both the federal earnings and the county share.

50.22 (i) Notwithstanding section 256B.041, county payments for the cost of case management
50.23 services provided by county staff shall not be made to the commissioner of management
50.24 and budget. For the purposes of targeted case management services provided by county
50.25 staff under this section, the centralized disbursement of payments to counties under section
50.26 256B.041 consists only of federal earnings from services provided under this section.

50.27 (j) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital,
50.28 and the recipient's institutional care is paid by medical assistance, payment for targeted case
50.29 management services under this subdivision is limited to the lesser of:

50.30 (1) the last 180 days of the recipient's residency in that facility; or

50.31 (2) the limits and conditions which apply to federal Medicaid funding for this service.

50.32 (k) Payment for targeted case management services under this subdivision shall not
50.33 duplicate payments made under other program authorities for the same purpose.

51.1 (l) Any growth in targeted case management services and cost increases under this
51.2 section shall be the responsibility of the counties.

51.3 Sec. 14. Minnesota Statutes 2020, section 256B.094, subdivision 6, is amended to read:

51.4 Subd. 6. **Medical assistance reimbursement of case management services.** (a) Medical
51.5 assistance reimbursement for services under this section shall be made on a monthly basis.
51.6 Payment is based on face-to-face or telephone contacts between the case manager and the
51.7 client, client's family, primary caregiver, legal representative, or other relevant person
51.8 identified as necessary to the development or implementation of the goals of the individual
51.9 service plan regarding the status of the client, the individual service plan, or the goals for
51.10 the client. These contacts must meet the minimum standards in clauses (1) and (2):

51.11 (1) there must be a face-to-face contact at least once a month except as provided in clause
51.12 (2); and

51.13 (2) for a client placed outside of the county of financial responsibility, or a client served
51.14 by tribal social services placed outside the reservation, in an excluded time facility under
51.15 section 256G.02, subdivision 6, or through the Interstate Compact for the Placement of
51.16 Children, section 260.93, and the placement in either case is more than 60 miles beyond
51.17 the county or reservation boundaries, there must be at least one contact per month and not
51.18 more than two consecutive months without a face-to-face contact.

51.19 (b) Except as provided under paragraph (c), the payment rate is established using time
51.20 study data on activities of provider service staff and reports required under sections 245.482
51.21 and 256.01, subdivision 2, paragraph (p).

51.22 (c) Payments for tribes may be made according to section 256B.0625 or other relevant
51.23 federally approved rate setting methodology for child welfare targeted case management
51.24 provided by Indian health services and facilities operated by a tribe or tribal organization.

51.25 (d) Payment for case management provided by county ~~or tribal social services~~ contracted
51.26 vendors ~~shall be based on a monthly rate negotiated by the host county or tribal social~~
51.27 ~~services~~ must be calculated in accordance with section 256B.076, subdivision 2. Payment
51.28 for case management provided by vendors who contract with a tribe must be based on a
51.29 monthly rate negotiated by the tribe. The ~~negotiated~~ rate must not exceed the rate charged
51.30 by the vendor for the same service to other payers. If the service is provided by a team of
51.31 contracted vendors, the ~~county or tribal social services may negotiate a team rate with a~~
51.32 ~~vendor who is a member of the team.~~ The team shall determine how to distribute the rate
51.33 among its members. No reimbursement received by contracted vendors shall be returned

52.1 to the county or tribal social services, except to reimburse the county or tribal social services
52.2 for advance funding provided by the county or tribal social services to the vendor.

52.3 (e) If the service is provided by a team that includes contracted vendors and county or
52.4 tribal social services staff, the costs for county or tribal social services staff participation in
52.5 the team shall be included in the rate for county or tribal social services provided services.
52.6 In this case, the contracted vendor and the county or tribal social services may each receive
52.7 separate payment for services provided by each entity in the same month. To prevent
52.8 duplication of services, each entity must document, in the recipient's file, the need for team
52.9 case management and a description of the roles and services of the team members.

52.10 Separate payment rates may be established for different groups of providers to maximize
52.11 reimbursement as determined by the commissioner. The payment rate will be reviewed
52.12 annually and revised periodically to be consistent with the most recent time study and other
52.13 data. Payment for services will be made upon submission of a valid claim and verification
52.14 of proper documentation described in subdivision 7. Federal administrative revenue earned
52.15 through the time study, or under paragraph (c), shall be distributed according to earnings,
52.16 to counties, reservations, or groups of counties or reservations which have the same payment
52.17 rate under this subdivision, and to the group of counties or reservations which are not
52.18 certified providers under section 256F.10. The commissioner shall modify the requirements
52.19 set out in Minnesota Rules, parts 9550.0300 to 9550.0370, as necessary to accomplish this.

52.20 Sec. 15. Minnesota Statutes 2020, section 256B.49, subdivision 11, is amended to read:

52.21 Subd. 11. **Authority.** (a) The commissioner is authorized to apply for home and
52.22 community-based service waivers, as authorized under section 1915(c) of the federal Social
52.23 Security Act to serve persons under the age of 65 who are determined to require the level
52.24 of care provided in a nursing home and persons who require the level of care provided in a
52.25 hospital. The commissioner shall apply for the home and community-based waivers in order
52.26 to:

- 52.27 (1) promote the support of persons with disabilities in the most integrated settings;
52.28 (2) expand the availability of services for persons who are eligible for medical assistance;
52.29 (3) promote cost-effective options to institutional care; and
52.30 (4) obtain federal financial participation.

52.31 (b) The provision of waived services to medical assistance recipients with disabilities
52.32 shall comply with the requirements outlined in the federally approved applications for home
52.33 and community-based services and subsequent amendments, including provision of services

53.1 according to a service plan designed to meet the needs of the individual. For purposes of
53.2 this section, the approved home and community-based application is considered the necessary
53.3 federal requirement.

53.4 (c) The commissioner shall provide interested persons serving on agency advisory
53.5 committees, task forces, the Centers for Independent Living, and others who request to be
53.6 on a list to receive, notice of, and an opportunity to comment on, at least 30 days before
53.7 any effective dates, (1) any substantive changes to the state's disability services program
53.8 manual, or (2) changes or amendments to the federally approved applications for home and
53.9 community-based waivers, prior to their submission to the federal Centers for Medicare
53.10 and Medicaid Services.

53.11 (d) The commissioner shall seek approval, as authorized under section 1915(c) of the
53.12 federal Social Security Act, to allow medical assistance eligibility under this section for
53.13 children under age 21 without deeming of parental income or assets.

53.14 (e) The commissioner shall seek approval, as authorized under section 1915(c) of the
53.15 Social Act, to allow medical assistance eligibility under this section for individuals under
53.16 age 65 without deeming the spouse's income or assets.

53.17 (f) The commissioner shall comply with the requirements in the federally approved
53.18 transition plan for the home and community-based services waivers authorized under this
53.19 section.

53.20 (g) The commissioner shall seek approval to reconfigure the 1915(c) home and
53.21 community-based waivers in this section to implement a two-waiver program structure.

53.22 (h) The commissioner shall seek approval for the 1915(c) home and community-based
53.23 waivers in this section, as authorized under section 1915(c) of the federal Social Security
53.24 Act, to implement an individual resource allocation methodology.

53.25 **EFFECTIVE DATE.** This section is effective January 1, 2023, or upon federal approval,
53.26 whichever is later. The commissioner of human services shall notify the revisor of statutes
53.27 when federal approval is obtained.

53.28 Sec. 16. Minnesota Statutes 2020, section 256B.49, subdivision 11a, is amended to read:

53.29 Subd. 11a. **Waivered services statewide priorities.** (a) The commissioner shall establish
53.30 statewide priorities for individuals on the waiting list for community alternative care,
53.31 community access for disability inclusion, and brain injury waiver services, as of January
53.32 1, 2010. The statewide priorities must include, but are not limited to, individuals who
53.33 continue to have a need for waiver services after they have maximized the use of state plan

54.1 services and other funding resources, including natural supports, prior to accessing waiver
54.2 services, and who meet at least one of the following criteria:

54.3 (1) no longer require the intensity of services provided where they are currently living;

54.4 or

54.5 (2) make a request to move from an institutional setting.

54.6 (b) After the priorities in paragraph (a) are met, priority must also be given to individuals
54.7 who meet at least one of the following criteria:

54.8 (1) have unstable living situations due to the age, incapacity, or sudden loss of the primary
54.9 caregivers;

54.10 (2) are moving from an institution due to bed closures;

54.11 (3) experience a sudden closure of their current living arrangement;

54.12 (4) require protection from confirmed abuse, neglect, or exploitation;

54.13 (5) experience a sudden change in need that can no longer be met through state plan
54.14 services or other funding resources alone; or

54.15 (6) meet other priorities established by the department.

54.16 (c) When allocating new enrollment resources to lead agencies, the commissioner must
54.17 take into consideration the number of individuals waiting who meet statewide priorities ~~and~~
54.18 ~~the lead agencies' current use of waiver funds and existing service options. The commissioner~~
54.19 ~~has the authority to transfer funds between counties, groups of counties, and tribes to~~
54.20 ~~accommodate statewide priorities and resource needs while accounting for a necessary base~~
54.21 ~~level reserve amount for each county, group of counties, and tribe.~~

54.22 **EFFECTIVE DATE.** This section is effective January 1, 2023, or upon federal approval,
54.23 whichever is later. The commissioner of human services shall notify the revisor of statutes
54.24 when federal approval is obtained.

54.25 Sec. 17. Minnesota Statutes 2020, section 256B.49, subdivision 17, is amended to read:

54.26 Subd. 17. **Cost of services and supports.** (a) The commissioner shall ensure that the
54.27 average per capita expenditures estimated in any fiscal year for home and community-based
54.28 waiver recipients does not exceed the average per capita expenditures that would have been
54.29 made to provide institutional services for recipients in the absence of the waiver.

54.30 ~~(b) The commissioner shall implement on January 1, 2002, one or more aggregate,~~
54.31 ~~need-based methods for allocating to local agencies the home and community-based waived~~

55.1 ~~service resources available to support recipients with disabilities in need of the level of care~~
55.2 ~~provided in a nursing facility or a hospital. The commissioner shall allocate resources to~~
55.3 ~~single counties and county partnerships in a manner that reflects consideration of:~~

55.4 ~~(1) an incentive-based payment process for achieving outcomes;~~

55.5 ~~(2) the need for a state-level risk pool;~~

55.6 ~~(3) the need for retention of management responsibility at the state agency level; and~~

55.7 ~~(4) a phase-in strategy as appropriate.~~

55.8 ~~(e) Until the allocation methods described in paragraph (b) are implemented, the annual~~
55.9 ~~allowable reimbursement level of home and community-based waiver services shall be the~~
55.10 ~~greater of:~~

55.11 ~~(1) the statewide average payment amount which the recipient is assigned under the~~
55.12 ~~waiver reimbursement system in place on June 30, 2001, modified by the percentage of any~~
55.13 ~~provider rate increase appropriated for home and community-based services; or~~

55.14 ~~(2) an amount approved by the commissioner based on the recipient's extraordinary~~
55.15 ~~needs that cannot be met within the current allowable reimbursement level. The increased~~
55.16 ~~reimbursement level must be necessary to allow the recipient to be discharged from an~~
55.17 ~~institution or to prevent imminent placement in an institution. The additional reimbursement~~
55.18 ~~may be used to secure environmental modifications; assistive technology and equipment;~~
55.19 ~~and increased costs for supervision, training, and support services necessary to address the~~
55.20 ~~recipient's extraordinary needs. The commissioner may approve an increased reimbursement~~
55.21 ~~level for up to one year of the recipient's relocation from an institution or up to six months~~
55.22 ~~of a determination that a current waiver recipient is at imminent risk of being placed in an~~
55.23 ~~institution.~~

55.24 ~~(d)~~ (b) Beginning July 1, 2001, medically necessary home care nursing services will be
55.25 authorized under this section as complex and regular care according to sections 256B.0651
55.26 to 256B.0654 and 256B.0659. The rate established by the commissioner for registered nurse
55.27 or licensed practical nurse services under any home and community-based waiver as of
55.28 January 1, 2001, shall not be reduced.

55.29 ~~(e)~~ (c) Notwithstanding section 252.28, subdivision 3, paragraph (d), if the 2009
55.30 legislature adopts a rate reduction that impacts payment to providers of adult foster care
55.31 services, the commissioner may issue adult foster care licenses that permit a capacity of
55.32 five adults. The application for a five-bed license must meet the requirements of section
55.33 245A.11, subdivision 2a. Prior to admission of the fifth recipient of adult foster care services,

56.1 the county must negotiate a revised per diem rate for room and board and waiver services
 56.2 that reflects the legislated rate reduction and results in an overall average per diem reduction
 56.3 for all foster care recipients in that home. The revised per diem must allow the provider to
 56.4 maintain, as much as possible, the level of services or enhanced services provided in the
 56.5 residence, while mitigating the losses of the legislated rate reduction.

56.6 **EFFECTIVE DATE.** This section is effective January 1, 2023, or upon federal approval,
 56.7 whichever is later. The commissioner of human services shall notify the revisor of statutes
 56.8 when federal approval is obtained.

56.9 Sec. 18. Minnesota Statutes 2020, section 256B.49, is amended by adding a subdivision
 56.10 to read:

56.11 Subd. 28. Customized living moratorium for brain injury and community access
 56.12 for disability inclusion waivers. (a) Notwithstanding section 245A.03, subdivision 2,
 56.13 paragraph (a), clause (23), the commissioner shall not enroll new customized living settings
 56.14 serving four or fewer people in a single-family home to deliver customized living services
 56.15 as defined under the brain injury or community access for disability inclusion waiver plans
 56.16 under section 256B.49 to prevent new developments of customized living settings that
 56.17 otherwise meet the residential program definition under section 245A.02, subdivision 14.

56.18 (b) The commissioner may approve an exception to paragraph (a) when:

56.19 (1) a customized living setting with a change in ownership at the same address is in
 56.20 existence and operational on or before June 30, 2021; and

56.21 (2) a customized living setting is serving four or fewer people in a multiple-family
 56.22 dwelling if each person has their own self-contained living unit that contains living, sleeping,
 56.23 eating, cooking, and bathroom areas.

56.24 (c) Customized living settings operational on or before June 30, 2021, are considered
 56.25 existing customized living settings.

56.26 (d) For any new customized living settings operational on or after July 1, 2021, serving
 56.27 four or fewer people in a single-family home to deliver customized living services as defined
 56.28 in paragraph (a), the authorizing lead agency is financially responsible for all home and
 56.29 community-based service payments in the setting.

56.30 (e) For purposes of this subdivision, "operational" means customized living services are
 56.31 authorized and delivered to a person on or before June 30, 2021, in the customized living
 56.32 setting.

57.1 **EFFECTIVE DATE.** This section is effective July 1, 2021. This section applies only
57.2 to customized living services as defined under the brain injury or community access for
57.3 disability inclusion waiver plans under section Minnesota Statutes, section 256B.49.

57.4 Sec. 19. Minnesota Statutes 2020, section 256B.4914, subdivision 5, is amended to read:

57.5 Subd. 5. **Base wage index and standard component values.** (a) The base wage index
57.6 is established to determine staffing costs associated with providing services to individuals
57.7 receiving home and community-based services. For purposes of developing and calculating
57.8 the proposed base wage, Minnesota-specific wages taken from job descriptions and standard
57.9 occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in
57.10 the most recent edition of the Occupational Handbook must be used. The base wage index
57.11 must be calculated as follows:

57.12 (1) for residential direct care staff, the sum of:

57.13 (i) 15 percent of the subtotal of 50 percent of the median wage for personal and home
57.14 health aide (SOC code 39-9021); 30 percent of the median wage for nursing assistant (SOC
57.15 code 31-1014); and 20 percent of the median wage for social and human services aide (SOC
57.16 code 21-1093); and

57.17 (ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide
57.18 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
57.19 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code
57.20 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
57.21 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

57.22 (2) for adult day services, 70 percent of the median wage for nursing assistant (SOC
57.23 code 31-1014); and 30 percent of the median wage for personal care aide (SOC code
57.24 39-9021);

57.25 (3) for day services, day support services, and prevocational services, 20 percent of the
57.26 median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for
57.27 psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social
57.28 and human services aide (SOC code 21-1093);

57.29 (4) for residential asleep-overnight staff, the wage is the minimum wage in Minnesota
57.30 for large employers, except in a family foster care setting, the wage is 36 percent of the
57.31 minimum wage in Minnesota for large employers;

57.32 (5) for positive supports analyst staff, 100 percent of the median wage for mental health
57.33 counselors (SOC code 21-1014);

58.1 (6) for positive supports professional staff, 100 percent of the median wage for clinical
58.2 counseling and school psychologist (SOC code 19-3031);

58.3 (7) for positive supports specialist staff, 100 percent of the median wage for psychiatric
58.4 technicians (SOC code 29-2053);

58.5 (8) for supportive living services staff, 20 percent of the median wage for nursing assistant
58.6 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code
58.7 29-2053); and 60 percent of the median wage for social and human services aide (SOC code
58.8 21-1093);

58.9 (9) for housing access coordination staff, 100 percent of the median wage for community
58.10 and social services specialist (SOC code 21-1099);

58.11 (10) for in-home family support and individualized home supports with family training
58.12 staff, 20 percent of the median wage for nursing aide (SOC code 31-1012); 30 percent of
58.13 the median wage for community social service specialist (SOC code 21-1099); 40 percent
58.14 of the median wage for social and human services aide (SOC code 21-1093); and ten percent
58.15 of the median wage for psychiatric technician (SOC code 29-2053);

58.16 (11) for individualized home supports with training services staff, 40 percent of the
58.17 median wage for community social service specialist (SOC code 21-1099); 50 percent of
58.18 the median wage for social and human services aide (SOC code 21-1093); and ten percent
58.19 of the median wage for psychiatric technician (SOC code 29-2053);

58.20 (12) for independent living skills staff, 40 percent of the median wage for community
58.21 social service specialist (SOC code 21-1099); 50 percent of the median wage for social and
58.22 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric
58.23 technician (SOC code 29-2053);

58.24 (13) for employment support services staff, 50 percent of the median wage for
58.25 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
58.26 community and social services specialist (SOC code 21-1099);

58.27 (14) for employment exploration services staff, 50 percent of the median wage for
58.28 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
58.29 community and social services specialist (SOC code 21-1099);

58.30 (15) for employment development services staff, 50 percent of the median wage for
58.31 education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent
58.32 of the median wage for community and social services specialist (SOC code 21-1099);

59.1 (16) for individualized home support staff, 50 percent of the median wage for personal
59.2 and home care aide (SOC code 39-9021); and 50 percent of the median wage for nursing
59.3 assistant (SOC code 31-1014);

59.4 (17) for adult companion staff, 50 percent of the median wage for personal and home
59.5 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant
59.6 (SOC code 31-1014);

59.7 (18) for night supervision staff, 20 percent of the median wage for home health aide
59.8 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
59.9 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code
59.10 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
59.11 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

59.12 (19) for respite staff, 50 percent of the median wage for personal and home care aide
59.13 (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code
59.14 31-1014);

59.15 (20) for personal support staff, 50 percent of the median wage for personal and home
59.16 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant
59.17 (SOC code 31-1014);

59.18 (21) for supervisory staff, 100 percent of the median wage for community and social
59.19 services specialist (SOC code 21-1099), with the exception of the supervisor of positive
59.20 supports professional, positive supports analyst, and positive supports specialists, which is
59.21 100 percent of the median wage for clinical counseling and school psychologist (SOC code
59.22 19-3031);

59.23 (22) for registered nurse staff, 100 percent of the median wage for registered nurses
59.24 (SOC code 29-1141); and

59.25 (23) for licensed practical nurse staff, 100 percent of the median wage for licensed
59.26 practical nurses (SOC code 29-2061).

59.27 (b) Component values for corporate foster care services, corporate supportive living
59.28 services daily, community residential services, and integrated community support services
59.29 are:

59.30 (1) competitive workforce factor: 4.7 percent;

59.31 (2) supervisory span of control ratio: 11 percent;

59.32 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

- 60.1 (4) employee-related cost ratio: 23.6 percent;
- 60.2 (5) general administrative support ratio: 13.25 percent;
- 60.3 (6) program-related expense ratio: 1.3 percent; and
- 60.4 (7) absence and utilization factor ratio: 3.9 percent.
- 60.5 (c) Component values for family foster care are:
- 60.6 (1) competitive workforce factor: 4.7 percent;
- 60.7 (2) supervisory span of control ratio: 11 percent;
- 60.8 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 60.9 (4) employee-related cost ratio: 23.6 percent;
- 60.10 (5) general administrative support ratio: 3.3 percent;
- 60.11 (6) program-related expense ratio: 1.3 percent; and
- 60.12 (7) absence factor: 1.7 percent.
- 60.13 (d) Component values for day training and habilitation, day support services, and
- 60.14 prevocational services are:
- 60.15 (1) competitive workforce factor: 4.7 percent;
- 60.16 (2) supervisory span of control ratio: 11 percent;
- 60.17 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 60.18 (4) employee-related cost ratio: 23.6 percent;
- 60.19 (5) program plan support ratio: 5.6 percent;
- 60.20 (6) client programming and support ratio: ten percent;
- 60.21 (7) general administrative support ratio: 13.25 percent;
- 60.22 (8) program-related expense ratio: 1.8 percent; and
- 60.23 (9) absence and utilization factor ratio: 9.4 percent.
- 60.24 (e) Component values for day support services and prevocational services delivered
- 60.25 remotely are:
- 60.26 (1) competitive workforce factor: 4.7 percent;
- 60.27 (2) supervisory span of control ratio: 11 percent;
- 60.28 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

- 61.1 (4) employee-related cost ratio: 23.6 percent;
- 61.2 (5) program plan support ratio: 5.6 percent;
- 61.3 (6) client programming and support ratio: 7.67 percent;
- 61.4 (7) general administrative support ratio: 13.25 percent;
- 61.5 (8) program-related expense ratio: 1.8 percent; and
- 61.6 (9) absence and utilization factor ratio: 9.4 percent.
- 61.7 ~~(e)~~ (f) Component values for adult day services are:
- 61.8 (1) competitive workforce factor: 4.7 percent;
- 61.9 (2) supervisory span of control ratio: 11 percent;
- 61.10 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 61.11 (4) employee-related cost ratio: 23.6 percent;
- 61.12 (5) program plan support ratio: 5.6 percent;
- 61.13 (6) client programming and support ratio: 7.4 percent;
- 61.14 (7) general administrative support ratio: 13.25 percent;
- 61.15 (8) program-related expense ratio: 1.8 percent; and
- 61.16 (9) absence and utilization factor ratio: 9.4 percent.
- 61.17 ~~(f)~~ (g) Component values for unit-based services with programming are:
- 61.18 (1) competitive workforce factor: 4.7 percent;
- 61.19 (2) supervisory span of control ratio: 11 percent;
- 61.20 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 61.21 (4) employee-related cost ratio: 23.6 percent;
- 61.22 (5) program plan supports ratio: 15.5 percent;
- 61.23 (6) client programming and supports ratio: 4.7 percent;
- 61.24 (7) general administrative support ratio: 13.25 percent;
- 61.25 (8) program-related expense ratio: 6.1 percent; and
- 61.26 (9) absence and utilization factor ratio: 3.9 percent.

62.1 (h) Component values for unit-based services with programming delivered remotely
62.2 are:

62.3 (1) competitive workforce factor: 4.7 percent;

62.4 (2) supervisory span of control ratio: 11 percent;

62.5 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

62.6 (4) employee-related cost ratio: 23.6 percent;

62.7 (5) program plan supports ratio: 5.6 percent;

62.8 (6) client programming and supports ratio: 1.53 percent;

62.9 (7) general administrative support ratio: 13.25 percent;

62.10 (8) program-related expense ratio: 6.1 percent; and

62.11 (9) absence and utilization factor ratio: 3.9 percent.

62.12 ~~(g)~~ (i) Component values for unit-based services without programming except respite
62.13 are:

62.14 (1) competitive workforce factor: 4.7 percent;

62.15 (2) supervisory span of control ratio: 11 percent;

62.16 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

62.17 (4) employee-related cost ratio: 23.6 percent;

62.18 (5) program plan support ratio: 7.0 percent;

62.19 (6) client programming and support ratio: 2.3 percent;

62.20 (7) general administrative support ratio: 13.25 percent;

62.21 (8) program-related expense ratio: 2.9 percent; and

62.22 (9) absence and utilization factor ratio: 3.9 percent.

62.23 (j) Component values for unit-based services without programming delivered remotely,
62.24 except respite, are:

62.25 (1) competitive workforce factor: 4.7 percent;

62.26 (2) supervisory span of control ratio: 11 percent;

62.27 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

62.28 (4) employee-related cost ratio: 23.6 percent;

- 63.1 (5) program plan support ratio: 1.3 percent;
- 63.2 (6) client programming and support ratio: 1.14 percent;
- 63.3 (7) general administrative support ratio: 13.25 percent;
- 63.4 (8) program-related expense ratio: 2.9 percent; and
- 63.5 (9) absence and utilization factor ratio: 3.9 percent.
- 63.6 ~~(h)~~ (k) Component values for unit-based services without programming for respite are:
- 63.7 (1) competitive workforce factor: 4.7 percent;
- 63.8 (2) supervisory span of control ratio: 11 percent;
- 63.9 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 63.10 (4) employee-related cost ratio: 23.6 percent;
- 63.11 (5) general administrative support ratio: 13.25 percent;
- 63.12 (6) program-related expense ratio: 2.9 percent; and
- 63.13 (7) absence and utilization factor ratio: 3.9 percent.
- 63.14 ~~(j)~~ (l) On July 1, 2022, and every two years thereafter, the commissioner shall update
- 63.15 the base wage index in paragraph (a) based on wage data by SOC from the Bureau of Labor
- 63.16 Statistics available 30 months and one day prior to the scheduled update. The commissioner
- 63.17 shall publish these updated values and load them into the rate management system.
- 63.18 ~~(j)~~ (m) Beginning February 1, 2021, and every two years thereafter, the commissioner
- 63.19 shall report to the chairs and ranking minority members of the legislative committees and
- 63.20 divisions with jurisdiction over health and human services policy and finance an analysis
- 63.21 of the competitive workforce factor. The report must include recommendations to update
- 63.22 the competitive workforce factor using:
- 63.23 (1) the most recently available wage data by SOC code for the weighted average wage
- 63.24 for direct care staff for residential services and direct care staff for day services;
- 63.25 (2) the most recently available wage data by SOC code of the weighted average wage
- 63.26 of comparable occupations; and
- 63.27 (3) workforce data as required under subdivision 10a, paragraph (g).
- 63.28 The commissioner shall not recommend an increase or decrease of the competitive workforce
- 63.29 factor from the current value by more than two percentage points. If, after a biennial analysis

64.1 for the next report, the competitive workforce factor is less than or equal to zero, the
64.2 commissioner shall recommend a competitive workforce factor of zero.

64.3 ~~(k)~~ (n) On July 1, 2022, and every two years thereafter, the commissioner shall update
64.4 the framework components in paragraph (d), clause (6); paragraph (e), clause (6); paragraph
64.5 (f), clause (6); ~~and~~ paragraph (g), clause (6); paragraph (h), clause (6); paragraph (i), clause
64.6 6; and paragraph (j), clause (6); subdivision 6, paragraphs (b), clauses (9) and (10), and (e),
64.7 clause (10); and subdivision 7, clauses (11), (17), and (18), for changes in the Consumer
64.8 Price Index. The commissioner shall adjust these values higher or lower by the percentage
64.9 change in the CPI-U from the date of the previous update to the data available 30 months
64.10 and one day prior to the scheduled update. The commissioner shall publish these updated
64.11 values and load them into the rate management system.

64.12 ~~(i)~~ (o) Upon the implementation of the updates under paragraphs ~~(i)~~ (l) and ~~(k)~~ (n), rate
64.13 adjustments authorized under section 256B.439, subdivision 7; Laws 2013, chapter 108,
64.14 article 7, section 60; and Laws 2014, chapter 312, article 27, section 75, shall be removed
64.15 from service rates calculated under this section.

64.16 ~~(m)~~ (p) Any rate adjustments applied to the service rates calculated under this section
64.17 outside of the cost components and rate methodology specified in this section shall be
64.18 removed from rate calculations upon implementation of the updates under paragraphs ~~(i)~~
64.19 (l) and ~~(k)~~ (n).

64.20 ~~(n)~~ (q) In this subdivision, if Bureau of Labor Statistics occupational codes or Consumer
64.21 Price Index items are unavailable in the future, the commissioner shall recommend to the
64.22 legislature codes or items to update and replace missing component values.

64.23 **EFFECTIVE DATE.** This section is effective January 1, 2022, or upon federal approval,
64.24 whichever is later. The commissioner of human services shall notify the revisor of statutes
64.25 when federal approval is obtained.

64.26 Sec. 20. Minnesota Statutes 2020, section 256B.4914, subdivision 6, is amended to read:

64.27 **Subd. 6. Payments for residential support services.** (a) For purposes of this subdivision,
64.28 residential support services includes 24-hour customized living services, community
64.29 residential services, customized living services, family residential services, foster care
64.30 services, integrated community supports, and supportive living services daily.

64.31 (b) Payments for community residential services, corporate foster care services, corporate
64.32 supportive living services daily, family residential services, and family foster care services
64.33 must be calculated as follows:

65.1 (1) determine the number of shared staffing and individual direct staff hours to meet a
65.2 recipient's needs provided on site or through monitoring technology;

65.3 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
65.4 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
65.5 5;

65.6 (3) except for subdivision 5, paragraph (a), clauses (4) and (21) to (23), multiply the
65.7 result of clause (2) by the product of one plus the competitive workforce factor in subdivision
65.8 5, paragraph (b), clause (1);

65.9 (4) for a recipient requiring customization for deaf and hard-of-hearing language
65.10 accessibility under subdivision 12, add the customization rate provided in subdivision 12
65.11 to the result of clause (3);

65.12 (5) multiply the number of shared and individual direct staff hours provided on site or
65.13 through monitoring technology and nursing hours by the appropriate staff wages;

65.14 (6) multiply the number of shared and individual direct staff hours provided on site or
65.15 through monitoring technology and nursing hours by the product of the supervision span
65.16 of control ratio in subdivision 5, paragraph (b), clause (2), and the appropriate supervision
65.17 wage in subdivision 5, paragraph (a), clause (21);

65.18 (7) combine the results of clauses (5) and (6), excluding any shared and individual direct
65.19 staff hours provided through monitoring technology, and multiply the result by one plus
65.20 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (b),
65.21 clause (3). This is defined as the direct staffing cost;

65.22 (8) for employee-related expenses, multiply the direct staffing cost, excluding any shared
65.23 and individual direct staff hours provided through monitoring technology, by one plus the
65.24 employee-related cost ratio in subdivision 5, paragraph (b), clause (4);

65.25 (9) for client programming and supports, the commissioner shall add \$2,179; and

65.26 (10) for transportation, if provided, the commissioner shall add \$1,680, or \$3,000 if
65.27 customized for adapted transport, based on the resident with the highest assessed need.

65.28 (c) The total rate must be calculated using the following steps:

65.29 (1) subtotal paragraph (b), clauses (8) to (10), and the direct staffing cost of any shared
65.30 and individual direct staff hours provided through monitoring technology that was excluded
65.31 in clause (8);

66.1 (2) sum the standard general and administrative rate, the program-related expense ratio,
66.2 and the absence and utilization ratio;

66.3 (3) divide the result of clause (1) by one minus the result of clause (2). This is the total
66.4 payment amount; and

66.5 (4) adjust the result of clause (3) by a factor to be determined by the commissioner to
66.6 adjust for regional differences in the cost of providing services.

66.7 (d) The payment methodology for customized living, 24-hour customized living, and
66.8 residential care services must be the customized living tool. Revisions to the customized
66.9 living tool must be made to reflect the services and activities unique to disability-related
66.10 recipient needs. The commissioner shall establish acuity-based input limits, based on case
66.11 mix, for customized living and 24-hour customized living rates determined under this section.

66.12 (e) Payments for integrated community support services must be calculated as follows:

66.13 (1) the base shared staffing shall be eight hours divided by the number of people receiving
66.14 support in the integrated community support setting;

66.15 (2) the individual staffing hours shall be the average number of direct support hours
66.16 provided directly to the service recipient;

66.17 (3) the personnel hourly wage rate must be based on the most recent Bureau of Labor
66.18 Statistics Minnesota-specific rates or rates derived by the commissioner as provided in
66.19 subdivision 5;

66.20 (4) except for subdivision 5, paragraph (a), clauses (4) and (21) to (23), multiply the
66.21 result of clause (3) by the product of one plus the competitive workforce factor in subdivision
66.22 5, paragraph (b), clause (1);

66.23 (5) for a recipient requiring customization for deaf and hard-of-hearing language
66.24 accessibility under subdivision 12, add the customization rate provided in subdivision 12
66.25 to the result of clause (4);

66.26 (6) multiply the number of shared and individual direct staff hours in clauses (1) and
66.27 (2) by the appropriate staff wages;

66.28 (7) multiply the number of shared and individual direct staff hours in clauses (1) and
66.29 (2) by the product of the supervisory span of control ratio in subdivision 5, paragraph (b),
66.30 clause (2), and the appropriate supervisory wage in subdivision 5, paragraph (a), clause
66.31 (21);

67.1 (8) combine the results of clauses (6) and (7) and multiply the result by one plus the
67.2 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (b), clause
67.3 (3). This is defined as the direct staffing cost;

67.4 (9) for employee-related expenses, multiply the direct staffing cost by one plus the
67.5 employee-related cost ratio in subdivision 5, paragraph (b), clause (4); and

67.6 (10) for client programming and supports, the commissioner shall add \$2,260.21 divided
67.7 by 365.

67.8 (f) The total rate must be calculated as follows:

67.9 (1) add the results of paragraph (e), clauses (9) and (10);

67.10 (2) add the standard general and administrative rate, the program-related expense ratio,
67.11 and the absence and utilization factor ratio;

67.12 (3) divide the result of clause (1) by one minus the result of clause (2). This is the total
67.13 payment amount; and

67.14 (4) adjust the result of clause (3) by a factor to be determined by the commissioner to
67.15 adjust for regional differences in the cost of providing services.

67.16 (g) The payment methodology for customized living and 24-hour customized living
67.17 services must be the customized living tool. The commissioner shall revise the customized
67.18 living tool to reflect the services and activities unique to disability-related recipient needs
67.19 and adjust for regional differences in the cost of providing services.

67.20 (h) The number of days authorized for all individuals enrolling in residential services
67.21 must include every day that services start and end.

67.22 **EFFECTIVE DATE.** This section is effective January 1, 2022.

67.23 Sec. 21. Minnesota Statutes 2020, section 256B.4914, subdivision 7, is amended to read:

67.24 Subd. 7. **Payments for day programs.** Payments for services with day programs
67.25 including adult day services, day treatment and habilitation, day support services,
67.26 prevocational services, and structured day services, provided in person or remotely, must
67.27 be calculated as follows:

67.28 (1) determine the number of units of service and staffing ratio to meet a recipient's needs:

67.29 (i) the staffing ratios for the units of service provided to a recipient in a typical week
67.30 must be averaged to determine an individual's staffing ratio; and

68.1 (ii) the commissioner, in consultation with service providers, shall develop a uniform
68.2 staffing ratio worksheet to be used to determine staffing ratios under this subdivision;

68.3 (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
68.4 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
68.5 5;

68.6 (3) except for subdivision 5, paragraph (a), clauses (4) and (21) to (23), multiply the
68.7 result of clause (2) by the product of one plus the competitive workforce factor in subdivision
68.8 5, paragraph (d), clause (1);

68.9 (4) for a recipient requiring customization for deaf and hard-of-hearing language
68.10 accessibility under subdivision 12, add the customization rate provided in subdivision 12
68.11 to the result of clause (3);

68.12 (5) multiply the number of day program direct staff hours and nursing hours by the
68.13 appropriate staff wage;

68.14 (6) multiply the number of day direct staff hours by the product of the supervision span
68.15 of control ratio in subdivision 5, paragraph (d), clause (2), for in-person services or
68.16 subdivision 5, paragraph (e), clause (2), for remote services, and the appropriate supervision
68.17 wage in subdivision 5, paragraph (a), clause (21);

68.18 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
68.19 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (d), clause
68.20 (3), for in-person services or subdivision 5, paragraph (e), clause (3), for remote services.
68.21 This is defined as the direct staffing rate;

68.22 (8) for program plan support, multiply the result of clause (7) by one plus the program
68.23 plan support ratio in subdivision 5, paragraph (d), clause (5), for in-person services or
68.24 subdivision 5, paragraph (e), clause (5), for remote services;

68.25 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
68.26 employee-related cost ratio in subdivision 5, paragraph (d), clause (4), for in-person services
68.27 or subdivision 5, paragraph (e), clause (4), for remote services;

68.28 (10) for client programming and supports, multiply the result of clause (9) by one plus
68.29 the client programming and support ratio in subdivision 5, paragraph (d), clause (6), for
68.30 in-person services or subdivision 5, paragraph (e), clause (6), for remote services;

68.31 (11) for program facility costs, add \$19.30 per week with consideration of staffing ratios
68.32 to meet individual needs for in-person service only;

69.1 (12) for adult day bath services, add \$7.01 per 15 minute unit;

69.2 (13) this is the subtotal rate;

69.3 (14) sum the standard general and administrative rate, the program-related expense ratio,
69.4 and the absence and utilization factor ratio;

69.5 (15) divide the result of clause (13) by one minus the result of clause (14). This is the
69.6 total payment amount;

69.7 (16) adjust the result of clause (15) by a factor to be determined by the commissioner
69.8 to adjust for regional differences in the cost of providing services;

69.9 (17) for transportation provided as part of day training and habilitation for an individual
69.10 who does not require a lift, add:

69.11 (i) \$10.50 for a trip between zero and ten miles for a nonshared ride in a vehicle without
69.12 a lift, \$8.83 for a shared ride in a vehicle without a lift, and \$9.25 for a shared ride in a
69.13 vehicle with a lift;

69.14 (ii) \$15.75 for a trip between 11 and 20 miles for a nonshared ride in a vehicle without
69.15 a lift, \$10.58 for a shared ride in a vehicle without a lift, and \$11.88 for a shared ride in a
69.16 vehicle with a lift;

69.17 (iii) \$25.75 for a trip between 21 and 50 miles for a nonshared ride in a vehicle without
69.18 a lift, \$13.92 for a shared ride in a vehicle without a lift, and \$16.88 for a shared ride in a
69.19 vehicle with a lift; or

69.20 (iv) \$33.50 for a trip of 51 miles or more for a nonshared ride in a vehicle without a lift,
69.21 \$16.50 for a shared ride in a vehicle without a lift, and \$20.75 for a shared ride in a vehicle
69.22 with a lift;

69.23 (18) for transportation provided as part of day training and habilitation for an individual
69.24 who does require a lift, add:

69.25 (i) \$19.05 for a trip between zero and ten miles for a nonshared ride in a vehicle with a
69.26 lift, and \$15.05 for a shared ride in a vehicle with a lift;

69.27 (ii) \$32.16 for a trip between 11 and 20 miles for a nonshared ride in a vehicle with a
69.28 lift, and \$28.16 for a shared ride in a vehicle with a lift;

69.29 (iii) \$58.76 for a trip between 21 and 50 miles for a nonshared ride in a vehicle with a
69.30 lift, and \$58.76 for a shared ride in a vehicle with a lift; or

70.1 (iv) \$80.93 for a trip of 51 miles or more for a nonshared ride in a vehicle with a lift,
70.2 and \$80.93 for a shared ride in a vehicle with a lift.

70.3 **EFFECTIVE DATE.** This section is effective January 1, 2022, or upon federal approval,
70.4 whichever is later. The commissioner of human services shall notify the revisor of statutes
70.5 when federal approval is obtained.

70.6 Sec. 22. Minnesota Statutes 2020, section 256B.4914, subdivision 8, is amended to read:

70.7 Subd. 8. **Payments for unit-based services with programming.** Payments for unit-based
70.8 services with programming, including employment exploration services, employment
70.9 development services, housing access coordination, individualized home supports with
70.10 family training, individualized home supports with training, in-home family support,
70.11 independent living skills training, and hourly supported living services provided to an
70.12 individual outside of any day or residential service plan, provided in person or remotely,
70.13 must be calculated as follows, unless the services are authorized separately under subdivision
70.14 6 or 7:

70.15 (1) determine the number of units of service to meet a recipient's needs;

70.16 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
70.17 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
70.18 5;

70.19 (3) except for subdivision 5, paragraph (a), clauses (4) and (21) to (23), multiply the
70.20 result of clause (2) by the product of one plus the competitive workforce factor in subdivision
70.21 5, paragraph ~~(f)~~ (g), clause (1);

70.22 (4) for a recipient requiring customization for deaf and hard-of-hearing language
70.23 accessibility under subdivision 12, add the customization rate provided in subdivision 12
70.24 to the result of clause (3);

70.25 (5) multiply the number of direct staff hours by the appropriate staff wage;

70.26 (6) multiply the number of direct staff hours by the product of the supervision span of
70.27 control ratio in subdivision 5, paragraph ~~(f)~~ (g), clause (2), for in-person services or
70.28 subdivision 5, paragraph (h), clause (2), for remote services, and the appropriate supervision
70.29 wage in subdivision 5, paragraph (a), clause (21);

70.30 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
70.31 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph ~~(f)~~ (g),

71.1 clause (3), for in-person services or subdivision 5, paragraph (h), clause (3), for remote
71.2 services. This is defined as the direct staffing rate;

71.3 (8) for program plan support, multiply the result of clause (7) by one plus the program
71.4 plan supports ratio in subdivision 5, paragraph ~~(f)~~ (g), clause (5), for in-person services or
71.5 subdivision 5, paragraph (h), clause (5), for remote services;

71.6 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
71.7 employee-related cost ratio in subdivision 5, paragraph ~~(f)~~ (g), clause (4), for in-person
71.8 services or subdivision 5, paragraph (h), clause (4), for remote services;

71.9 (10) for client programming and supports, multiply the result of clause (9) by one plus
71.10 the client programming and supports ratio in subdivision 5, paragraph ~~(f)~~ (g), clause (6),
71.11 for in-person services or subdivision 5, paragraph (h), clause (6), for remote services;

71.12 (11) this is the subtotal rate;

71.13 (12) sum the standard general and administrative rate, the program-related expense ratio,
71.14 and the absence and utilization factor ratio;

71.15 (13) divide the result of clause (11) by one minus the result of clause (12). This is the
71.16 total payment amount;

71.17 (14) for employment exploration services provided in a shared manner, divide the total
71.18 payment amount in clause (13) by the number of service recipients, not to exceed five. For
71.19 employment support services provided in a shared manner, divide the total payment amount
71.20 in clause (13) by the number of service recipients, not to exceed six. For independent living
71.21 skills training, individualized home supports with training, and individualized home supports
71.22 with family training provided in a shared manner, divide the total payment amount in clause
71.23 (13) by the number of service recipients, not to exceed two; and

71.24 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
71.25 to adjust for regional differences in the cost of providing services.

71.26 **EFFECTIVE DATE.** This section is effective January 1, 2022, or upon federal approval,
71.27 whichever is later. The commissioner of human services shall notify the revisor of statutes
71.28 when federal approval is obtained.

71.29 Sec. 23. Minnesota Statutes 2020, section 256B.4914, subdivision 9, is amended to read:

71.30 **Subd. 9. Payments for unit-based services without programming.** Payments for
71.31 unit-based services without programming, including individualized home supports, night
71.32 supervision, personal support, respite, and companion care provided to an individual outside

- 72.1 of any day or residential service plan, provided in person or remotely, must be calculated
72.2 as follows unless the services are authorized separately under subdivision 6 or 7:
- 72.3 (1) for all services except respite, determine the number of units of service to meet a
72.4 recipient's needs;
- 72.5 (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
72.6 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;
- 72.7 (3) except for subdivision 5, paragraph (a), clauses (4) and (21) to (23), multiply the
72.8 result of clause (2) by the product of one plus the competitive workforce factor in subdivision
72.9 5, paragraph ~~(g)~~ (i), clause (1);
- 72.10 (4) for a recipient requiring customization for deaf and hard-of-hearing language
72.11 accessibility under subdivision 12, add the customization rate provided in subdivision 12
72.12 to the result of clause (3);
- 72.13 (5) multiply the number of direct staff hours by the appropriate staff wage;
- 72.14 (6) multiply the number of direct staff hours by the product of the supervision span of
72.15 control ratio in subdivision 5, paragraph ~~(g)~~ (i), clause (2), for in-person services or
72.16 subdivision 5, paragraph (j), clause (2), for remote services, and the appropriate supervision
72.17 wage in subdivision 5, paragraph (a), clause (21);
- 72.18 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
72.19 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph ~~(g)~~ (i),
72.20 clause (3), for in-person services or subdivision 5, paragraph (j), clause (3), for remote
72.21 services. This is defined as the direct staffing rate;
- 72.22 (8) for program plan support, multiply the result of clause (7) by one plus the program
72.23 plan support ratio in subdivision 5, paragraph ~~(g)~~ (i), clause (5), for in-person services or
72.24 subdivision 5, paragraph (j), clause (5), for remote services;
- 72.25 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
72.26 employee-related cost ratio in subdivision 5, paragraph ~~(g)~~ (i), clause (4), for in-person
72.27 services or subdivision 5, paragraph (j), clause (4), for remote services;
- 72.28 (10) for client programming and supports, multiply the result of clause (9) by one plus
72.29 the client programming and support ratio in subdivision 5, paragraph ~~(g)~~ (i), clause (6), for
72.30 in-person services or subdivision 5, paragraph (j), clause (6), for remote services;
- 72.31 (11) this is the subtotal rate;

73.1 (12) sum the standard general and administrative rate, the program-related expense ratio,
73.2 and the absence and utilization factor ratio;

73.3 (13) divide the result of clause (11) by one minus the result of clause (12). This is the
73.4 total payment amount;

73.5 (14) for respite services, determine the number of day units of service to meet an
73.6 individual's needs;

73.7 (15) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
73.8 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

73.9 (16) except for subdivision 5, paragraph (a), clauses (4) and (21) to (23), multiply the
73.10 result of clause (15) by the product of one plus the competitive workforce factor in
73.11 subdivision 5, paragraph ~~(h)~~ (k), clause (1);

73.12 (17) for a recipient requiring deaf and hard-of-hearing customization under subdivision
73.13 12, add the customization rate provided in subdivision 12 to the result of clause (16);

73.14 (18) multiply the number of direct staff hours by the appropriate staff wage;

73.15 (19) multiply the number of direct staff hours by the product of the supervisory span of
73.16 control ratio in subdivision 5, paragraph ~~(h)~~ (k), clause (2), and the appropriate supervision
73.17 wage in subdivision 5, paragraph (a), clause (21);

73.18 (20) combine the results of clauses (18) and (19), and multiply the result by one plus
73.19 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph ~~(h)~~
73.20 (k), clause (3). This is defined as the direct staffing rate;

73.21 (21) for employee-related expenses, multiply the result of clause (20) by one plus the
73.22 employee-related cost ratio in subdivision 5, paragraph ~~(h)~~ (k), clause (4);

73.23 (22) this is the subtotal rate;

73.24 (23) sum the standard general and administrative rate, the program-related expense ratio,
73.25 and the absence and utilization factor ratio;

73.26 (24) divide the result of clause (22) by one minus the result of clause (23). This is the
73.27 total payment amount;

73.28 (25) for individualized home supports provided in a shared manner, divide the total
73.29 payment amount in clause (13) by the number of service recipients, not to exceed two;

73.30 (26) for respite care services provided in a shared manner, divide the total payment
73.31 amount in clause (24) by the number of service recipients, not to exceed three; and

74.1 (27) adjust the result of clauses (13), (25), and (26) by a factor to be determined by the
74.2 commissioner to adjust for regional differences in the cost of providing services.

74.3 **EFFECTIVE DATE.** This section is effective January 1, 2022, or upon federal approval,
74.4 whichever is later. The commissioner of human services shall notify the revisor of statutes
74.5 when federal approval is obtained.

74.6 Sec. 24. Minnesota Statutes 2020, section 256I.05, subdivision 1a, is amended to read:

74.7 Subd. 1a. **Supplementary service rates.** (a) Subject to the provisions of section 256I.04,
74.8 subdivision 3, the county agency may negotiate a payment not to exceed \$426.37 for other
74.9 services necessary to provide room and board if the residence is licensed by or registered
74.10 by the Department of Health, or licensed by the Department of Human Services to provide
74.11 services in addition to room and board, and if the provider of services is not also concurrently
74.12 receiving funding for services for a recipient under a home and community-based waiver
74.13 under title XIX of the federal Social Security Act; or funding from the medical assistance
74.14 program under section 256B.0659, for personal care services for residents in the setting; or
74.15 residing in a setting which receives funding under section 245.73. If funding is available
74.16 for other necessary services through a home and community-based waiver, or personal care
74.17 services under section 256B.0659, then the housing support rate is limited to the rate set in
74.18 subdivision 1. Unless otherwise provided in law, in no case may the supplementary service
74.19 rate exceed \$426.37. The registration and licensure requirement does not apply to
74.20 establishments which are exempt from state licensure because they are located on Indian
74.21 reservations and for which the tribe has prescribed health and safety requirements. Service
74.22 payments under this section may be prohibited under rules to prevent the supplanting of
74.23 federal funds with state funds. The commissioner shall pursue the feasibility of obtaining
74.24 the approval of the Secretary of Health and Human Services to provide home and
74.25 community-based waiver services under title XIX of the federal Social Security Act for
74.26 residents who are not eligible for an existing home and community-based waiver due to a
74.27 primary diagnosis of mental illness or chemical dependency and shall apply for a waiver if
74.28 it is determined to be cost-effective.

74.29 (b) The commissioner is authorized to make cost-neutral transfers from the housing
74.30 support fund for beds under this section to other funding programs administered by the
74.31 department after consultation with the ~~county or counties~~ agency in which the affected beds
74.32 are located. The commissioner may also make cost-neutral transfers from the housing support
74.33 fund to ~~county human service~~ agencies for beds permanently removed from the housing
74.34 support census under a plan submitted by the ~~county~~ agency and approved by the

75.1 commissioner. The commissioner shall report the amount of any transfers under this provision
75.2 annually to the legislature.

75.3 (c) ~~Counties~~ Agencies must not negotiate supplementary service rates with providers of
75.4 housing support that are licensed as board and lodging with special services and that do not
75.5 encourage a policy of sobriety on their premises and make referrals to available community
75.6 services for volunteer and employment opportunities for residents.

75.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

75.8 Sec. 25. Minnesota Statutes 2020, section 256I.05, subdivision 11, is amended to read:

75.9 Subd. 11. **Transfer of emergency shelter funds.** (a) The commissioner shall make a
75.10 cost-neutral transfer of funding from the housing support fund to ~~county human service~~
75.11 ~~agencies~~ the agency for emergency shelter beds removed from the housing support census
75.12 under a biennial plan submitted by the ~~county~~ agency and approved by the commissioner.
75.13 The plan must describe: (1) anticipated and actual outcomes for persons experiencing
75.14 homelessness in emergency shelters; (2) improved efficiencies in administration; (3)
75.15 requirements for individual eligibility; and (4) plans for quality assurance monitoring and
75.16 quality assurance outcomes. The commissioner shall review the ~~county~~ agency plan to
75.17 monitor implementation and outcomes at least biennially, and more frequently if the
75.18 commissioner deems necessary.

75.19 (b) The funding under paragraph (a) may be used for the provision of room and board
75.20 or supplemental services according to section 256I.03, subdivisions 2 and 8. Providers must
75.21 meet the requirements of section 256I.04, subdivisions 2a to 2f. Funding must be allocated
75.22 annually, and the room and board portion of the allocation shall be adjusted according to
75.23 the percentage change in the housing support room and board rate. The room and board
75.24 portion of the allocation shall be determined at the time of transfer. The commissioner or
75.25 ~~county~~ agency may return beds to the housing support fund with 180 days' notice, including
75.26 financial reconciliation.

75.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

75.28 Sec. 26. **WAIVER REIMAGINE PHASE II.**

75.29 (a) The commissioner of human services must implement a two-home and
75.30 community-based services waiver program structure, as authorized under section 1915(c)
75.31 of the federal Social Security Act, that serves persons who are determined by a certified

76.1 assessor to require the levels of care provided in a nursing home, a hospital, a neurobehavioral
 76.2 hospital, or an intermediate care facility for persons with developmental disabilities.

76.3 (b) The commissioner of human services must implement an individualized budget
 76.4 methodology, as authorized under section 1915(c) of the federal Social Security Act, that
 76.5 serves persons who are determined by a certified assessor to require the levels of care
 76.6 provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care
 76.7 facility for persons with developmental disabilities.

76.8 (c) The commissioner of human services may seek all federal authority necessary to
 76.9 implement this section.

76.10 **EFFECTIVE DATE.** This section is effective September 1, 2024, or upon federal
 76.11 approval, whichever is later. The commissioner of human services shall notify the revisor
 76.12 of statutes when federal approval is obtained.

76.13 Sec. 27. **DIRECTION TO THE COMMISSIONER; CUSTOMIZED LIVING**
 76.14 **REPORT.**

76.15 (a) By January 15, 2022, the commissioner of human services shall submit a report to
 76.16 the chairs and ranking minority members of the legislative committees with jurisdiction
 76.17 over human services policy and finance. The report must include the commissioner's:

76.18 (1) assessment of the prevalence of customized living services provided under Minnesota
 76.19 Statutes, section 256B.49, supplanting the provision of residential services and supports
 76.20 licensed under Minnesota Statutes, chapter 245D, and provided in settings licensed under
 76.21 Minnesota Statutes, chapter 245A;

76.22 (2) recommendations regarding the continuation of the moratorium on home and
 76.23 community-based services customized living settings under Minnesota Statutes, section
 76.24 256B.49, subdivision 28;

76.25 (3) other policy recommendations to ensure that customized living services are being
 76.26 provided in a manner consistent with the policy objectives of the foster care licensing
 76.27 moratorium under Minnesota Statutes, section 245A.03, subdivision 7; and

76.28 (4) recommendations for needed statutory changes to implement the transition from
 76.29 existing four-person or fewer customized living settings to corporate adult foster care or
 76.30 community residential settings.

76.31 (b) The commissioner of health shall provide the commissioner of human services with
 76.32 the required data to complete the report in paragraph (a) and implement the moratorium on

77.1 home and community-based services customized living settings under Minnesota Statutes,
77.2 section 256B.49, subdivision 28. The data must include, at a minimum, each registered
77.3 housing with services establishment under Minnesota Statutes, chapter 144D, enrolled as
77.4 a customized living setting to deliver customized living services as defined under the brain
77.5 injury or community access for disability inclusion waiver plans under Minnesota Statutes,
77.6 section 256B.49.

77.7 **Sec. 28. RATE INCREASE FOR DIRECT SUPPORT SERVICES WORKFORCE.**

77.8 (a) Effective October 1, 2021, or upon federal approval, whichever is later, if the labor
77.9 agreement between the state of Minnesota and the Service Employees International Union
77.10 Healthcare Minnesota under Minnesota Statutes, section 179A.54, is approved pursuant to
77.11 Minnesota Statutes, section 3.855, the commissioner of human services shall increase:

77.12 (1) reimbursement rates, individual budgets, grants, or allocations by 4.14 percent for
77.13 services under paragraph (b) provided on or after October 1, 2021, or upon federal approval,
77.14 whichever is later, to implement the minimum hourly wage, holiday, and paid time off
77.15 provisions of that agreement;

77.16 (2) reimbursement rates, individual budgets, grants, or allocations by 2.95 percent for
77.17 services under paragraph (b) provided on or after July 1, 2022, or upon federal approval,
77.18 whichever is later, to implement the minimum hourly wage, holiday, and paid time off
77.19 provisions of that agreement;

77.20 (3) individual budgets, grants, or allocations by 1.58 percent for services under paragraph
77.21 (c) provided on or after October 1, 2021, or upon federal approval, whichever is later, to
77.22 implement the minimum hourly wage, holiday, and paid time off provisions of that
77.23 agreement; and

77.24 (4) individual budgets, grants, or allocations by .81 percent for services under paragraph
77.25 (c) provided on or after July 1, 2022, or upon federal approval, whichever is later, to
77.26 implement the minimum hourly wage, holiday, and paid time off provisions of that
77.27 agreement.

77.28 (b) The rate changes described in paragraph (a), clauses (1) and (2), apply to direct
77.29 support services provided through a covered program, as defined in Minnesota Statutes,
77.30 section 256B.0711, subdivision 1, with the exception of consumer-directed community
77.31 supports available under programs established pursuant to home and community-based
77.32 service waivers authorized under section 1915(c) of the federal Social Security Act and
77.33 Minnesota Statutes, including but not limited to chapter 256S and sections 256B.092 and

78.1 256B.49, and under the alternative care program under Minnesota Statutes, section
 78.2 256B.0913.

78.3 (c) The funding changes described in paragraph (a), clauses (3) and (4), apply to
 78.4 consumer-directed community supports available under programs established pursuant to
 78.5 home and community-based service waivers authorized under section 1915(c) of the federal
 78.6 Social Security Act, and Minnesota Statutes, including but not limited to chapter 256S and
 78.7 sections 256B.092 and 256B.49, and under the alternative care program under Minnesota
 78.8 Statutes, section 256B.0913.

78.9 **Sec. 29. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; RATE**
 78.10 **RECOMMENDATIONS FOR OPIOID TREATMENT PROGRAMS.**

78.11 The commissioner of human services shall evaluate the rate structure for opioid treatment
 78.12 programs licensed under Minnesota Statutes, section 245G.22, and report recommendations,
 78.13 including a revised rate structure and proposed draft legislation, to the chairs and ranking
 78.14 minority members of the legislative committees with jurisdiction over human services policy
 78.15 and finance by October 1, 2021.

78.16 **EFFECTIVE DATE.** This section is effective July 1, 2021.

78.17 **Sec. 30. REPEALER.**

78.18 (a) Minnesota Statutes 2020, section 256B.0596, is repealed.

78.19 (b) Minnesota Statutes 2020, sections 245A.191; and 256B.097, are repealed effective
 78.20 July 1, 2021.

78.21 (c) Minnesota Statutes 2020, sections 256B.0916, subdivisions 2, 3, 4, 5, 8, 11, and 12;
 78.22 and 256B.49, subdivisions 26 and 27, are repealed effective January 1, 2023, or upon federal
 78.23 approval, whichever is later.

78.24 **ARTICLE 3**

78.25 **DIRECT CARE AND TREATMENT**

78.26 **Section 1. Minnesota Statutes 2020, section 246.54, subdivision 1b, is amended to read:**

78.27 **Subd. 1b. Community behavioral health hospitals.** A county's payment of the cost of
 78.28 care provided at state-operated community-based behavioral health hospitals for adults and
 78.29 children shall be according to the following schedule:

79.1 (1) 100 percent for each day during the stay, including the day of admission, when the
79.2 facility determines that it is clinically appropriate for the client to be discharged; and

79.3 (2) the county shall not be entitled to reimbursement from the client, the client's estate,
79.4 or from the client's relatives, except as provided in section 246.53.

79.5 ARTICLE 4

79.6 BLUE RIBBON COMMISSION

79.7 Section 1. Minnesota Statutes 2020, section 256B.4914, subdivision 5, is amended to read:

79.8 Subd. 5. **Base wage index and standard component values.** (a) The base wage index
79.9 is established to determine staffing costs associated with providing services to individuals
79.10 receiving home and community-based services. For purposes of developing and calculating
79.11 the proposed base wage, Minnesota-specific wages taken from job descriptions and standard
79.12 occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in
79.13 the most recent edition of the Occupational Handbook must be used. The base wage index
79.14 must be calculated as follows:

79.15 (1) for residential direct care staff, the sum of:

79.16 (i) 15 percent of the subtotal of 50 percent of the median wage for personal and home
79.17 health aide (SOC code 39-9021); 30 percent of the median wage for nursing assistant (SOC
79.18 code 31-1014); and 20 percent of the median wage for social and human services aide (SOC
79.19 code 21-1093); and

79.20 (ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide
79.21 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
79.22 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code
79.23 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
79.24 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

79.25 (2) for adult day services, 70 percent of the median wage for nursing assistant (SOC
79.26 code 31-1014); and 30 percent of the median wage for personal care aide (SOC code
79.27 39-9021);

79.28 (3) for day services, day support services, and prevocational services, 20 percent of the
79.29 median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for
79.30 psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social
79.31 and human services aide (SOC code 21-1093);

80.1 (4) for residential asleep-overnight staff, the wage is the minimum wage in Minnesota
80.2 for large employers, ~~except in a family foster care setting, the wage is 36 percent of the~~
80.3 ~~minimum wage in Minnesota for large employers;~~

80.4 (5) for positive supports analyst staff, 100 percent of the median wage for mental health
80.5 counselors (SOC code 21-1014);

80.6 (6) for positive supports professional staff, 100 percent of the median wage for clinical
80.7 counseling and school psychologist (SOC code 19-3031);

80.8 (7) for positive supports specialist staff, 100 percent of the median wage for psychiatric
80.9 technicians (SOC code 29-2053);

80.10 (8) for supportive living services staff, 20 percent of the median wage for nursing assistant
80.11 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code
80.12 29-2053); and 60 percent of the median wage for social and human services aide (SOC code
80.13 21-1093);

80.14 (9) for housing access coordination staff, 100 percent of the median wage for community
80.15 and social services specialist (SOC code 21-1099);

80.16 (10) for in-home family support and individualized home supports with family training
80.17 staff, 20 percent of the median wage for nursing aide (SOC code 31-1012); 30 percent of
80.18 the median wage for community social service specialist (SOC code 21-1099); 40 percent
80.19 of the median wage for social and human services aide (SOC code 21-1093); and ten percent
80.20 of the median wage for psychiatric technician (SOC code 29-2053);

80.21 (11) for individualized home supports with training services staff, 40 percent of the
80.22 median wage for community social service specialist (SOC code 21-1099); 50 percent of
80.23 the median wage for social and human services aide (SOC code 21-1093); and ten percent
80.24 of the median wage for psychiatric technician (SOC code 29-2053);

80.25 (12) for independent living skills staff, 40 percent of the median wage for community
80.26 social service specialist (SOC code 21-1099); 50 percent of the median wage for social and
80.27 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric
80.28 technician (SOC code 29-2053);

80.29 (13) for employment support services staff, 50 percent of the median wage for
80.30 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
80.31 community and social services specialist (SOC code 21-1099);

81.1 (14) for employment exploration services staff, 50 percent of the median wage for
81.2 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
81.3 community and social services specialist (SOC code 21-1099);

81.4 (15) for employment development services staff, 50 percent of the median wage for
81.5 education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent
81.6 of the median wage for community and social services specialist (SOC code 21-1099);

81.7 (16) for individualized home support staff, 50 percent of the median wage for personal
81.8 and home care aide (SOC code 39-9021); and 50 percent of the median wage for nursing
81.9 assistant (SOC code 31-1014);

81.10 (17) for adult companion staff, 50 percent of the median wage for personal and home
81.11 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant
81.12 (SOC code 31-1014);

81.13 (18) for night supervision staff, 20 percent of the median wage for home health aide
81.14 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
81.15 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code
81.16 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
81.17 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

81.18 (19) for respite staff, 50 percent of the median wage for personal and home care aide
81.19 (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code
81.20 31-1014);

81.21 (20) for personal support staff, 50 percent of the median wage for personal and home
81.22 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant
81.23 (SOC code 31-1014);

81.24 (21) for supervisory staff, 100 percent of the median wage for community and social
81.25 services specialist (SOC code 21-1099), with the exception of the supervisor of positive
81.26 supports professional, positive supports analyst, and positive supports specialists, which is
81.27 100 percent of the median wage for clinical counseling and school psychologist (SOC code
81.28 19-3031);

81.29 (22) for registered nurse staff, 100 percent of the median wage for registered nurses
81.30 (SOC code 29-1141); and

81.31 (23) for licensed practical nurse staff, 100 percent of the median wage for licensed
81.32 practical nurses (SOC code 29-2061).

82.1 (b) Component values for corporate foster care services, corporate supportive living
82.2 services daily, community residential services, and integrated community support services
82.3 are:

- 82.4 (1) competitive workforce factor: 4.7 percent;
- 82.5 (2) supervisory span of control ratio: 11 percent;
- 82.6 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 82.7 (4) employee-related cost ratio: 23.6 percent;
- 82.8 (5) general administrative support ratio: 13.25 percent;
- 82.9 (6) program-related expense ratio: 1.3 percent; and
- 82.10 (7) absence and utilization factor ratio: 3.9 percent.

82.11 ~~(e) Component values for family foster care are:~~

- 82.12 ~~(1) competitive workforce factor: 4.7 percent;~~
- 82.13 ~~(2) supervisory span of control ratio: 11 percent;~~
- 82.14 ~~(3) employee vacation, sick, and training allowance ratio: 8.71 percent;~~
- 82.15 ~~(4) employee-related cost ratio: 23.6 percent;~~
- 82.16 ~~(5) general administrative support ratio: 3.3 percent;~~
- 82.17 ~~(6) program-related expense ratio: 1.3 percent; and~~
- 82.18 ~~(7) absence factor: 1.7 percent.~~

82.19 ~~(d)~~ (c) Component values for day training and habilitation, day support services, and
82.20 prevocational services are:

- 82.21 (1) competitive workforce factor: 4.7 percent;
- 82.22 (2) supervisory span of control ratio: 11 percent;
- 82.23 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 82.24 (4) employee-related cost ratio: 23.6 percent;
- 82.25 (5) program plan support ratio: 5.6 percent;
- 82.26 (6) client programming and support ratio: ten percent;
- 82.27 (7) general administrative support ratio: 13.25 percent;
- 82.28 (8) program-related expense ratio: 1.8 percent; and

- 83.1 (9) absence and utilization factor ratio: 9.4 percent.
- 83.2 ~~(e)~~ (d) Component values for adult day services are:
- 83.3 (1) competitive workforce factor: 4.7 percent;
- 83.4 (2) supervisory span of control ratio: 11 percent;
- 83.5 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 83.6 (4) employee-related cost ratio: 23.6 percent;
- 83.7 (5) program plan support ratio: 5.6 percent;
- 83.8 (6) client programming and support ratio: 7.4 percent;
- 83.9 (7) general administrative support ratio: 13.25 percent;
- 83.10 (8) program-related expense ratio: 1.8 percent; and
- 83.11 (9) absence and utilization factor ratio: 9.4 percent.
- 83.12 ~~(f)~~ (e) Component values for unit-based services with programming are:
- 83.13 (1) competitive workforce factor: 4.7 percent;
- 83.14 (2) supervisory span of control ratio: 11 percent;
- 83.15 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 83.16 (4) employee-related cost ratio: 23.6 percent;
- 83.17 (5) program plan supports ratio: 15.5 percent;
- 83.18 (6) client programming and supports ratio: 4.7 percent;
- 83.19 (7) general administrative support ratio: 13.25 percent;
- 83.20 (8) program-related expense ratio: 6.1 percent; and
- 83.21 (9) absence and utilization factor ratio: 3.9 percent.
- 83.22 ~~(g)~~ (f) Component values for unit-based services without programming except respite
- 83.23 are:
- 83.24 (1) competitive workforce factor: 4.7 percent;
- 83.25 (2) supervisory span of control ratio: 11 percent;
- 83.26 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 83.27 (4) employee-related cost ratio: 23.6 percent;

84.1 (5) program plan support ratio: 7.0 percent;

84.2 (6) client programming and support ratio: 2.3 percent;

84.3 (7) general administrative support ratio: 13.25 percent;

84.4 (8) program-related expense ratio: 2.9 percent; and

84.5 (9) absence and utilization factor ratio: 3.9 percent.

84.6 ~~(h)~~ (g) Component values for unit-based services without programming for respite are:

84.7 (1) competitive workforce factor: 4.7 percent;

84.8 (2) supervisory span of control ratio: 11 percent;

84.9 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

84.10 (4) employee-related cost ratio: 23.6 percent;

84.11 (5) general administrative support ratio: 13.25 percent;

84.12 (6) program-related expense ratio: 2.9 percent; and

84.13 (7) absence and utilization factor ratio: 3.9 percent.

84.14 ~~(h)~~ (h) On July 1, 2022, and every two years thereafter, the commissioner shall update
 84.15 the base wage index in paragraph (a) based on wage data by SOC from the Bureau of Labor
 84.16 Statistics available 30 months and one day prior to the scheduled update. The commissioner
 84.17 shall publish these updated values and load them into the rate management system.

84.18 ~~(i)~~ (i) Beginning February 1, 2021, and every two years thereafter, the commissioner
 84.19 shall report to the chairs and ranking minority members of the legislative committees and
 84.20 divisions with jurisdiction over health and human services policy and finance an analysis
 84.21 of the competitive workforce factor. The report must include recommendations to update
 84.22 the competitive workforce factor using:

84.23 (1) the most recently available wage data by SOC code for the weighted average wage
 84.24 for direct care staff for residential services and direct care staff for day services;

84.25 (2) the most recently available wage data by SOC code of the weighted average wage
 84.26 of comparable occupations; and

84.27 (3) workforce data as required under subdivision 10a, paragraph (g).

84.28 The commissioner shall not recommend an increase or decrease of the competitive workforce
 84.29 factor from the current value by more than two percentage points. If, after a biennial analysis

85.1 for the next report, the competitive workforce factor is less than or equal to zero, the
85.2 commissioner shall recommend a competitive workforce factor of zero.

85.3 ~~(k)~~ (j) On July 1, 2022, and every two years thereafter, the commissioner shall update
85.4 the framework components in paragraph ~~(d)~~ (c), clause (6); paragraph ~~(e)~~ (d), clause (6);
85.5 paragraph ~~(f)~~ (e), clause (6); and paragraph ~~(g)~~ (f), clause (6); subdivision 6, paragraphs
85.6 (b), clauses (9) and (10), and (e), clause (10); and subdivision 7, clauses (11), (17), and
85.7 (18); and subdivision 18, for changes in the Consumer Price Index. The commissioner shall
85.8 adjust these values higher or lower by the percentage change in the CPI-U from the date of
85.9 the previous update to the data available 30 months and one day prior to the scheduled
85.10 update. The commissioner shall publish these updated values and load them into the rate
85.11 management system.

85.12 ~~(l)~~ (k) Upon the implementation of the updates under paragraphs ~~(i)~~ (h) and ~~(k)~~ (j), rate
85.13 adjustments authorized under section 256B.439, subdivision 7; Laws 2013, chapter 108,
85.14 article 7, section 60; and Laws 2014, chapter 312, article 27, section 75, shall be removed
85.15 from service rates calculated under this section.

85.16 ~~(m)~~ (l) Any rate adjustments applied to the service rates calculated under this section
85.17 outside of the cost components and rate methodology specified in this section shall be
85.18 removed from rate calculations upon implementation of the updates under paragraphs ~~(i)~~
85.19 (h) and ~~(k)~~ (j).

85.20 ~~(n)~~ (m) In this subdivision, if Bureau of Labor Statistics occupational codes or Consumer
85.21 Price Index items are unavailable in the future, the commissioner shall recommend to the
85.22 legislature codes or items to update and replace missing component values.

85.23 **EFFECTIVE DATE.** This section is effective January 1, 2022, or upon federal approval,
85.24 whichever is later.

85.25 Sec. 2. Minnesota Statutes 2020, section 256B.4914, subdivision 6, is amended to read:

85.26 Subd. 6. **Payments for residential support services.** (a) For purposes of this subdivision,
85.27 residential support services includes 24-hour customized living services, community
85.28 residential services, customized living services, ~~family residential services, foster care~~
85.29 ~~services, and integrated community supports, and supportive living services daily.~~

85.30 (b) Payments for community residential services, ~~corporate foster care services, corporate~~
85.31 ~~supportive living services daily, family residential services, and family foster care services~~
85.32 must be calculated as follows:

86.1 (1) determine the number of shared staffing and individual direct staff hours to meet a
86.2 recipient's needs provided on site or through monitoring technology;

86.3 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
86.4 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
86.5 5;

86.6 (3) except for subdivision 5, paragraph (a), clauses (4) and (21) to (23), multiply the
86.7 result of clause (2) by the product of one plus the competitive workforce factor in subdivision
86.8 5, paragraph (b), clause (1);

86.9 (4) for a recipient requiring customization for deaf and hard-of-hearing language
86.10 accessibility under subdivision 12, add the customization rate provided in subdivision 12
86.11 to the result of clause (3);

86.12 (5) multiply the number of shared and individual direct staff hours provided on site or
86.13 through monitoring technology and nursing hours by the appropriate staff wages;

86.14 (6) multiply the number of shared and individual direct staff hours provided on site or
86.15 through monitoring technology and nursing hours by the product of the supervision span
86.16 of control ratio in subdivision 5, paragraph (b), clause (2), and the appropriate supervision
86.17 wage in subdivision 5, paragraph (a), clause (21);

86.18 (7) combine the results of clauses (5) and (6), excluding any shared and individual direct
86.19 staff hours provided through monitoring technology, and multiply the result by one plus
86.20 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (b),
86.21 clause (3). This is defined as the direct staffing cost;

86.22 (8) for employee-related expenses, multiply the direct staffing cost, excluding any shared
86.23 and individual direct staff hours provided through monitoring technology, by one plus the
86.24 employee-related cost ratio in subdivision 5, paragraph (b), clause (4);

86.25 (9) for client programming and supports, the commissioner shall add \$2,179; and

86.26 (10) for transportation, if provided, the commissioner shall add \$1,680, or \$3,000 if
86.27 customized for adapted transport, based on the resident with the highest assessed need.

86.28 (c) The total rate must be calculated using the following steps:

86.29 (1) subtotal paragraph (b), clauses (8) to (10), and the direct staffing cost of any shared
86.30 and individual direct staff hours provided through monitoring technology that was excluded
86.31 in clause (8);

87.1 (2) sum the standard general and administrative rate, the program-related expense ratio,
87.2 and the absence and utilization ratio;

87.3 (3) divide the result of clause (1) by one minus the result of clause (2). This is the total
87.4 payment amount; and

87.5 (4) adjust the result of clause (3) by a factor to be determined by the commissioner to
87.6 adjust for regional differences in the cost of providing services.

87.7 (d) The payment methodology for customized living, 24-hour customized living, and
87.8 residential care services must be the customized living tool. Revisions to the customized
87.9 living tool must be made to reflect the services and activities unique to disability-related
87.10 recipient needs. Customized living and 24-hour customized living rates determined under
87.11 this section shall not include more than 24 hours of support in a daily unit.

87.12 (e) Payments for integrated community support services must be calculated as follows:

87.13 (1) the base shared staffing shall be eight hours divided by the number of people receiving
87.14 support in the integrated community support setting;

87.15 (2) the individual staffing hours shall be the average number of direct support hours
87.16 provided directly to the service recipient;

87.17 (3) the personnel hourly wage rate must be based on the most recent Bureau of Labor
87.18 Statistics Minnesota-specific rates or rates derived by the commissioner as provided in
87.19 subdivision 5;

87.20 (4) except for subdivision 5, paragraph (a), clauses (4) and (21) to (23), multiply the
87.21 result of clause (3) by the product of one plus the competitive workforce factor in subdivision
87.22 5, paragraph (b), clause (1);

87.23 (5) for a recipient requiring customization for deaf and hard-of-hearing language
87.24 accessibility under subdivision 12, add the customization rate provided in subdivision 12
87.25 to the result of clause (4);

87.26 (6) multiply the number of shared and individual direct staff hours in clauses (1) and
87.27 (2) by the appropriate staff wages;

87.28 (7) multiply the number of shared and individual direct staff hours in clauses (1) and
87.29 (2) by the product of the supervisory span of control ratio in subdivision 5, paragraph (b),
87.30 clause (2), and the appropriate supervisory wage in subdivision 5, paragraph (a), clause
87.31 (21);

88.1 (8) combine the results of clauses (6) and (7) and multiply the result by one plus the
88.2 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (b), clause
88.3 (3). This is defined as the direct staffing cost;

88.4 (9) for employee-related expenses, multiply the direct staffing cost by one plus the
88.5 employee-related cost ratio in subdivision 5, paragraph (b), clause (4); and

88.6 (10) for client programming and supports, the commissioner shall add \$2,260.21 divided
88.7 by 365.

88.8 (f) The total rate must be calculated as follows:

88.9 (1) add the results of paragraph (e), clauses (9) and (10);

88.10 (2) add the standard general and administrative rate, the program-related expense ratio,
88.11 and the absence and utilization factor ratio;

88.12 (3) divide the result of clause (1) by one minus the result of clause (2). This is the total
88.13 payment amount; and

88.14 (4) adjust the result of clause (3) by a factor to be determined by the commissioner to
88.15 adjust for regional differences in the cost of providing services.

88.16 (g) The payment methodology for customized living and 24-hour customized living
88.17 services must be the customized living tool. The commissioner shall revise the customized
88.18 living tool to reflect the services and activities unique to disability-related recipient needs
88.19 and adjust for regional differences in the cost of providing services.

88.20 (h) The number of days authorized for all individuals enrolling in residential services
88.21 must include every day that services start and end.

88.22 **EFFECTIVE DATE.** This section is effective January 1, 2022, or upon federal approval,
88.23 whichever is later.

88.24 Sec. 3. Minnesota Statutes 2020, section 256B.4914, is amended by adding a subdivision
88.25 to read:

88.26 **Subd. 18. Payments for family residential services.** The commissioner shall establish
88.27 rates for family residential services based on a person's assessed needs as described in the
88.28 federally approved waiver plans.

88.29 **EFFECTIVE DATE.** This section is effective January 1, 2022, or upon federal approval,
88.30 whichever is later.

90.1 (g) MinnesotaCare (38,888,000)

90.2 This appropriation is from the health care
90.3 access fund.

90.4 (h) Medical Assistance

90.5 Appropriations by Fund

90.6 2021

90.7 General (667,401,000)

90.8 Health Care Access -0-

90.9 (i) Alternative Care 247,000

90.10 (j) Consolidated Chemical Dependency
90.11 Treatment Fund (CCDTF) Entitlement (50,318,000)

90.12 Subd. 3. Technical Activities 6,000

90.13 This appropriation is from the federal TANF
90.14 fund.

90.15 Sec. 3. EFFECTIVE DATE.

90.16 Sections 1 and 2 are effective the day following final enactment.

90.17 **ARTICLE 6**
90.18 **APPROPRIATIONS**

90.19 Section 1. HEALTH AND HUMAN SERVICES APPROPRIATIONS.

90.20 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
90.21 and for the purposes specified in this article. The appropriations are from the general fund,
90.22 or another named fund, and are available for the fiscal years indicated for each purpose.

90.23 The figures "2022" and "2023" used in this article mean that the appropriations listed under
90.24 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

90.25 "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium"
90.26 is fiscal years 2022 and 2023.

90.27 **APPROPRIATIONS**

90.28 **Available for the Year**

90.29 **Ending June 30**

90.30 **2022** **2023**

- 92.1 costs under Minnesota Statutes, section
92.2 119B.15;
- 92.3 (3) state and county MFIP administrative costs
92.4 under Minnesota Statutes, chapters 256J and
92.5 256K;
- 92.6 (4) state, county, and tribal MFIP employment
92.7 services under Minnesota Statutes, chapters
92.8 256J and 256K;
- 92.9 (5) expenditures made on behalf of legal
92.10 noncitizen MFIP recipients who qualify for
92.11 the MinnesotaCare program under Minnesota
92.12 Statutes, chapter 256L;
- 92.13 (6) qualifying working family credit
92.14 expenditures under Minnesota Statutes, section
92.15 290.0671;
- 92.16 (7) qualifying Minnesota education credit
92.17 expenditures under Minnesota Statutes, section
92.18 290.0674; and
- 92.19 (8) qualifying Head Start expenditures under
92.20 Minnesota Statutes, section 119A.50.
- 92.21 **(b) Nonfederal Expenditures; Reporting.**
92.22 For the activities listed in paragraph (a),
92.23 clauses (2) to (8), the commissioner may
92.24 report only expenditures that are excluded
92.25 from the definition of assistance under Code
92.26 of Federal Regulations, title 45, section
92.27 260.31.
- 92.28 **(c) Certain Expenditures Required. The**
92.29 commissioner shall ensure that the MOE used
92.30 by the commissioner of management and
92.31 budget for the February and November
92.32 forecasts required under Minnesota Statutes,
92.33 section 16A.103, contains expenditures under

93.1 paragraph (a), clause (1), equal to zero percent
93.2 in fiscal year 2022, zero percent in fiscal year
93.3 2023, and beginning in fiscal year 2024, at
93.4 least 16 percent of the total required under
93.5 Code of Federal Regulations, title 45, section
93.6 263.1.

93.7 **(d) Limitation; Exceptions.** The
93.8 commissioner must not claim an amount of
93.9 TANF/MOE in excess of the 75 percent
93.10 standard in Code of Federal Regulations, title
93.11 45, section 263.1(a)(2), except:

93.12 (1) to the extent necessary to meet the 80
93.13 percent standard under Code of Federal
93.14 Regulations, title 45, section 263.1(a)(1), if it
93.15 is determined by the commissioner that the
93.16 state will not meet the TANF work
93.17 participation target rate for the current year;

93.18 (2) to provide any additional amounts under
93.19 Code of Federal Regulations, title 45, section
93.20 264.5, that relate to replacement of TANF
93.21 funds due to the operation of TANF penalties;
93.22 and

93.23 (3) to provide any additional amounts that may
93.24 contribute to avoiding or reducing TANF work
93.25 participation penalties through the operation
93.26 of the excess MOE provisions of Code of
93.27 Federal Regulations, title 45, section 261.43
93.28 (a)(2).

93.29 **(e) Supplemental Expenditures.** For the
93.30 purposes of paragraph (d), the commissioner
93.31 may supplement the MOE claim with working
93.32 family credit expenditures or other qualified
93.33 expenditures to the extent such expenditures

94.1 are otherwise available after considering the
94.2 expenditures allowed in this subdivision.

94.3 **(f) Reduction of Appropriations; Exception.**
94.4 The requirement in Minnesota Statutes, section
94.5 256.011, subdivision 3, that federal grants or
94.6 aids secured or obtained under that subdivision
94.7 be used to reduce any direct appropriations
94.8 provided by law, does not apply if the grants
94.9 or aids are federal TANF funds.

94.10 **(g) IT Appropriations Generally. This**
94.11 appropriation includes funds for information
94.12 technology projects, services, and support.
94.13 Notwithstanding Minnesota Statutes, section
94.14 16E.0466, funding for information technology
94.15 project costs shall be incorporated into the
94.16 service level agreement and paid to the Office
94.17 of MN.IT Services by the Department of
94.18 Human Services under the rates and
94.19 mechanism specified in that agreement.

94.20 **(h) Receipts for Systems Project.**
94.21 Appropriations and federal receipts for
94.22 information systems projects for MAXIS,
94.23 PRISM, MMIS, ISDS, METS, and SSIS must
94.24 be deposited in the state systems account
94.25 authorized in Minnesota Statutes, section
94.26 256.014. Money appropriated for computer
94.27 projects approved by the commissioner of the
94.28 Office of MN.IT Services, funded by the
94.29 legislature, and approved by the commissioner
94.30 of management and budget may be transferred
94.31 from one project to another and from
94.32 development to operations as the
94.33 commissioner of human services considers
94.34 necessary. Any unexpended balance in the
94.35 appropriation for these projects does not

95.1 cancel and is available for ongoing
95.2 development and operations.

95.3 **(i) Federal SNAP Education and Training**
95.4 **Grants.** Federal funds available during fiscal
95.5 years 2022 and 2023 for Supplemental
95.6 Nutrition Assistance Program Education and
95.7 Training and SNAP Quality Control
95.8 Performance Bonus grants are appropriated
95.9 to the commissioner of human services for the
95.10 purposes allowable under the terms of the
95.11 federal award. This paragraph is effective the
95.12 day following final enactment.

95.13 **Subd. 3. Central Office; Operations**

95.14	<u>Appropriations by Fund</u>		
95.15	<u>General</u>	<u>2,633,000</u>	<u>1,535,000</u>

95.16 **(a) Administrative Recovery; Set-Aside.** The
95.17 commissioner may invoice local entities
95.18 through the SWIFT accounting system as an
95.19 alternative means to recover the actual cost of
95.20 administering the following provisions:

95.21 (1) Minnesota Statutes, section 125A.744,
95.22 subdivision 3;

95.23 (2) Minnesota Statutes, section 245.495,
95.24 paragraph (b);

95.25 (3) Minnesota Statutes, section 256B.0625,
95.26 subdivision 20, paragraph (k);

95.27 (4) Minnesota Statutes, section 256B.0924,
95.28 subdivision 6, paragraph (g);

95.29 (5) Minnesota Statutes, section 256B.0945,
95.30 subdivision 4, paragraph (d); and

95.31 (6) Minnesota Statutes, section 256F.10,
95.32 subdivision 6, paragraph (b).

96.1 (b) Base Level Adjustment. The general fund
 96.2 base is \$161,781,000 in fiscal year 2024 and
 96.3 \$161,934,000 in fiscal year 2025.

96.4 Subd. 4. Central Office; Children and Families

96.5 Appropriations by Fund

96.6 <u>General</u>	<u>17,623,000</u>	<u>17,994,000</u>
96.7 <u>Federal TANF</u>	<u>2,582,000</u>	<u>2,582,000</u>

96.8 (a) Financial Institution Data Match and
 96.9 Payment of Fees. The commissioner is
 96.10 authorized to allocate up to \$310,000 each
 96.11 year in fiscal year 2022 and fiscal year 2023
 96.12 from the systems special revenue account to
 96.13 make payments to financial institutions in
 96.14 exchange for performing data matches
 96.15 between account information held by financial
 96.16 institutions and the public authority's database
 96.17 of child support obligors as authorized by
 96.18 Minnesota Statutes, section 13B.06,
 96.19 subdivision 7.

96.20 (b) Base Level Adjustment. The general fund
 96.21 base is \$18,054,000 in fiscal year 2024 and
 96.22 \$18,054,000 in fiscal year 2025.

96.23 Subd. 5. Central Office; Health Care

96.24 Appropriations by Fund

96.25 <u>General</u>	<u>443,000</u>	<u>223,000</u>
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96.26 (a) Case Management Benefit Study for
 96.27 American Indians. \$200,000 in fiscal year
 96.28 2022 is for a contract to conduct fiscal analysis
 96.29 and development of standards for a targeted
 96.30 case management benefit for American
 96.31 Indians. The commissioner of human services
 96.32 must consult the Minnesota Indian Affairs
 96.33 Council in the development of any request for
 96.34 proposal and in the evaluation of responses.

97.1 This is a onetime appropriation. Any
 97.2 unencumbered balance remaining from the
 97.3 first year does not cancel and is available for
 97.4 the second year of the biennium.

97.5 **Subd. 6. Central Office; Continuing Care for**
 97.6 **Older Adults**

97.7	<u>Appropriations by Fund</u>	
97.8	<u>General</u>	<u>17,494,000</u> <u>17,505,000</u>
97.9	<u>State Government</u>	
97.10	<u>Special Revenue</u>	<u>125,000</u> <u>125,000</u>

97.11 **(a) Assisted Living Survey. \$2,593,000 in**
 97.12 **fiscal year 2022 and \$2,593,000 in fiscal year**
 97.13 **2023 are for development and administration**
 97.14 **of a resident experience survey and family**
 97.15 **survey for all housing with services**
 97.16 **establishments and assisted living facilities.**
 97.17 **These appropriations are available in either**
 97.18 **year of the biennium. This paragraph does not**
 97.19 **expire.**

97.20 **(b) Evaluation on Equitable Access to Home**
 97.21 **and Community-Based Waivers. \$190,000**
 97.22 **in fiscal year 2022 and \$235,000 in fiscal year**
 97.23 **2023 are for an evaluation to identify and**
 97.24 **address barriers to equitable access to home**
 97.25 **and community-based services for people with**
 97.26 **disabilities and older adults. The commissioner**
 97.27 **shall partner with Black people, Indigenous**
 97.28 **people, and people of color and lead agencies**
 97.29 **to better understand institutional biases in the**
 97.30 **home and community-based service system**
 97.31 **and make recommendations to eliminate them.**
 97.32 **This is a onetime appropriation.**

97.33 **(c) Base Level Adjustment. The general fund**
 97.34 **base is \$17,311,000 in fiscal year 2024 and**
 97.35 **\$17,381,000 in fiscal year 2025.**

98.1 **Subd. 7. Central Office; Community Supports**

98.2 Appropriations by Fund

98.3	<u>General</u>	<u>33,904,000</u>	<u>33,619,000</u>
98.4	<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>
98.5	<u>Opioid Epidemic</u>		
98.6	<u>Response</u>	<u>60,000</u>	<u>60,000</u>

98.7 **(a) Study of Self Directed Tiered Wage**

98.8 **Structure.** \$25,000 in fiscal year 2022 is for
 98.9 a study of the feasibility of a tiered wage
 98.10 structure for individual providers. This
 98.11 appropriation is onetime. This appropriation
 98.12 is available only if the labor agreement
 98.13 between the state of Minnesota and the Service
 98.14 Employees International Union Healthcare
 98.15 Minnesota under Minnesota Statutes, section
 98.16 179A.54, is approved under Minnesota
 98.17 Statutes, section 3.855.

98.18 **(b) Case Management Rate Methodology**

98.19 **Analysis.** \$300,000 in fiscal year 2022 and
 98.20 \$200,000 in fiscal year 2023 is for the fiscal
 98.21 analysis needed to establish federally
 98.22 compliant payment methodologies for all
 98.23 Medical Assistance funded case management
 98.24 services. This is a onetime appropriation.

98.25 **(c) Case Management Quality Improvement**

98.26 **and Training.** \$200,000 in fiscal year 2022
 98.27 is for the development of reporting measures
 98.28 to determine outcomes for case management
 98.29 services and for the identification of training
 98.30 needs and development of training tools across
 98.31 all case management services. This is a
 98.32 onetime appropriation. Any unencumbered
 98.33 balance remaining from the first year does not
 98.34 cancel and is available for the second year of
 98.35 the biennium.

99.1 **(d) Homeless Management Information**
 99.2 **System.** \$500,000 in fiscal year 2022 and
 99.3 \$500,000 in fiscal year 2023 are for support
 99.4 of the Homeless Management Information
 99.5 System (HMIS).

99.6 **(e) Base Level Adjustment.** The general fund
 99.7 base is \$33,667,000 in fiscal year 2024 and
 99.8 \$33,704,000 in fiscal year 2025. The opiate
 99.9 epidemic response fund base is \$60,000 in
 99.10 fiscal year 2024 and \$0 in fiscal year 2025.

99.11 **Subd. 8. Forecasted Programs; MFIP/DWP**

99.12	<u>Appropriations by Fund</u>		
99.13	<u>General</u>	<u>75,792,000</u>	<u>74,748,000</u>
99.14	<u>Federal TANF</u>	<u>114,378,000</u>	<u>107,708,000</u>

99.15	<u>Subd. 9. Forecasted Programs; General</u>		
99.16	<u>Assistance</u>	<u>52,867,000</u>	<u>52,869,000</u>

99.17 **(a) General Assistance Standard.** The
 99.18 commissioner shall set the monthly standard
 99.19 of assistance for general assistance units
 99.20 consisting of an adult recipient who is
 99.21 childless and unmarried or living apart from
 99.22 parents or a legal guardian at \$203. The
 99.23 commissioner may reduce this amount
 99.24 according to Laws 1997, chapter 85, article 3,
 99.25 section 54.

99.26 **(b) Emergency General Assistance Limit.**
 99.27 The amount appropriated for emergency
 99.28 general assistance is limited to no more than
 99.29 \$6,729,812 in fiscal year 2022 and \$6,729,812
 99.30 in fiscal year 2023. Funds to counties shall be
 99.31 allocated by the commissioner using the
 99.32 allocation method under Minnesota Statutes,
 99.33 section 256D.06.

99.34	<u>Subd. 10. Forecasted Programs; Minnesota</u>		
99.35	<u>Supplemental Aid</u>	<u>51,582,000</u>	<u>52,515,000</u>

100.1	<u>Subd. 11. Forecasted Programs; Housing</u>		
100.2	<u>Support</u>	<u>182,536,000</u>	<u>189,611,000</u>
100.3	<u>Subd. 12. Forecasted Programs; Northstar Care</u>		
100.4	<u>for Children</u>	<u>116,578,000</u>	<u>121,196,000</u>
100.5	<u>Subd. 13. Forecasted Programs; Medical</u>		
100.6	<u>Assistance</u>		
100.7	<u>Appropriations by Fund</u>		
100.8	<u>General</u>	<u>2,992,523,000</u>	<u>3,169,449,000</u>
100.9	<u>Behavioral Health Services. \$1,000,000 in</u>		
100.10	<u>fiscal year 2022 and \$1,000,000 in fiscal year</u>		
100.11	<u>2023 are for behavioral health services</u>		
100.12	<u>provided by hospitals identified under</u>		
100.13	<u>Minnesota Statutes, section 256.969,</u>		
100.14	<u>subdivision 2b, paragraph (a), clause (4). The</u>		
100.15	<u>increase in payments shall be made by</u>		
100.16	<u>increasing the adjustment under Minnesota</u>		
100.17	<u>Statutes, section 256.969, subdivision 2b,</u>		
100.18	<u>paragraph (e), clause (2).</u>		
100.19	<u>Subd. 14. Forecasted Programs; Alternative</u>		
100.20	<u>Care</u>	<u>45,669,000</u>	<u>45,656,000</u>
100.21	<u>Alternative Care Transfer. Any money</u>		
100.22	<u>allocated to the alternative care program that</u>		
100.23	<u>is not spent for the purposes indicated does</u>		
100.24	<u>not cancel but must be transferred to the</u>		
100.25	<u>medical assistance account.</u>		
100.26	<u>Subd. 15. Forecasted Programs; Behavioral</u>		
100.27	<u>Health Fund</u>	<u>106,797,000</u>	<u>123,468,000</u>
100.28	<u>Subd. 16. Grant Programs; Support Services</u>		
100.29	<u>Grants</u>		
100.30	<u>Appropriations by Fund</u>		
100.31	<u>General</u>	<u>8,715,000</u>	<u>8,715,000</u>
100.32	<u>Federal TANF</u>	<u>96,311,000</u>	<u>96,311,000</u>
100.33	<u>Subd. 17. Grant Programs; Child Support</u>		
100.34	<u>Enforcement Grants</u>	<u>50,000</u>	<u>50,000</u>
100.35	<u>Subd. 18. Grant Programs; Children's Services</u>		
100.36	<u>Grants</u>		

101.1	<u>Appropriations by Fund</u>		
101.2	<u>General</u>	<u>51,483,000</u>	<u>51,198,000</u>
101.3	<u>Federal TANF</u>	<u>140,000</u>	<u>140,000</u>
101.4	<u>Title IV-E Adoption Assistance. (1) The</u>		
101.5	<u>commissioner shall allocate funds from the</u>		
101.6	<u>Title IV-E reimbursement to the state from</u>		
101.7	<u>the Fostering Connections to Success and</u>		
101.8	<u>Increasing Adoptions Act for adoptive, foster,</u>		
101.9	<u>and kinship families as required in Minnesota</u>		
101.10	<u>Statutes, section 256N.261.</u>		
101.11	<u>(2) Additional federal reimbursement to the</u>		
101.12	<u>state as a result of the Fostering Connections</u>		
101.13	<u>to Success and Increasing Adoptions Act's</u>		
101.14	<u>expanded eligibility for title IV-E adoption</u>		
101.15	<u>assistance is for postadoption, foster care,</u>		
101.16	<u>adoption, and kinship services, including a</u>		
101.17	<u>parent-to-parent support network.</u>		
101.18	<u>Subd. 19. Grant Programs; Children and</u>		
101.19	<u>Community Service Grants</u>	<u>60,251,000</u>	<u>60,856,000</u>
101.20	<u>Subd. 20. Grant Programs; Children and</u>		
101.21	<u>Economic Support Grants</u>	<u>27,115,000</u>	<u>27,115,000</u>
101.22	<u>Minnesota Food Assistance Program.</u>		
101.23	<u>Unexpended funds for the Minnesota food</u>		
101.24	<u>assistance program for fiscal year 2022 do not</u>		
101.25	<u>cancel but are available for this purpose in</u>		
101.26	<u>fiscal year 2023.</u>		
101.27	<u>Subd. 21. Grant Programs; Other Long-Term</u>		
101.28	<u>Care Grants</u>	<u>1,925,000</u>	<u>1,925,000</u>
101.29	<u>Subd. 22. Grant Programs; Aging and Adult</u>		
101.30	<u>Services Grants</u>	<u>32,495,000</u>	<u>32,495,000</u>
101.31	<u>Subd. 23. Grant Programs; Deaf and</u>		
101.32	<u>Hard-of-Hearing Grants</u>	<u>2,886,000</u>	<u>2,886,000</u>
101.33	<u>Subd. 24. Grant Programs; Disabilities Grants</u>		
101.34	<u>Training Stipends for Direct Support</u>		
101.35	<u>Services Providers. \$1,000,000 in fiscal year</u>		

102.1 2022 is for stipends for individual providers
 102.2 of direct support services as defined in
 102.3 Minnesota Statutes, section 256B.0711,
 102.4 subdivision 1. These stipends are available to
 102.5 individual providers who have completed
 102.6 designated voluntary trainings made available
 102.7 through the State-Provider Cooperation
 102.8 Committee formed by the State of Minnesota
 102.9 and the Service Employees International
 102.10 Union Healthcare Minnesota. Any unspent
 102.11 appropriation in fiscal year 2022 is available
 102.12 in fiscal year 2023. This is a onetime
 102.13 appropriation. This appropriation is available
 102.14 only if the labor agreement between the state
 102.15 of Minnesota and the Service Employees
 102.16 International Union Healthcare Minnesota
 102.17 under Minnesota Statutes, section 179A.54,
 102.18 is approved under Minnesota Statutes, section
 102.19 3.855.

102.20 **Subd. 25. Grant Programs; Housing Support**
 102.21 **Grants**

15,364,000

15,364,000

102.22 **Subd. 26. Grant Programs; Adult Mental Health**
 102.23 **Grants**

102.24 Appropriations by Fund

102.25 General 81,043,000 81,044,000

102.26 Opiate Epidemic

102.27 Response 2,000,000 2,000,000

102.28 **Base Level Adjustment.** The general fund
 102.29 base is \$82,324,000 in fiscal year 2024 and
 102.30 \$82,324,000 in fiscal year 2025.

102.31 The Opiate Epidemic Response base is
 102.32 \$2,000,000 in fiscal year 2024 and \$0 in fiscal
 102.33 year 2025.

102.34 **Subd. 27. Grant Programs; Child Mental Health**
 102.35 **Grants**

25,703,000

25,703,000

103.1 Base Level Adjustment. The general fund
 103.2 base is \$25,726,000 in fiscal year 2024 and
 103.3 \$25,726,000 in fiscal year 2025.

103.4 Subd. 28. Grant Programs; Chemical
 103.5 Dependency Treatment Support Grants

103.6	<u>Appropriations by Fund</u>		
103.7	<u>General</u>	<u>2,273,000</u>	<u>2,274,000</u>
103.8	<u>Lottery Prize</u>	<u>1,733,000</u>	<u>1,733,000</u>
103.9	<u>Opiate Epidemic</u>		
103.10	<u>Response</u>	<u>500,000</u>	<u>500,000</u>

103.11 Problem Gambling. (a) \$225,000 in fiscal
 103.12 year 2022 and \$225,000 in fiscal year 2023
 103.13 are from the lottery prize fund for a grant to
 103.14 the state affiliate recognized by the National
 103.15 Council on Problem Gambling. The affiliate
 103.16 must provide services to increase public
 103.17 awareness of problem gambling, education,
 103.18 and training for individuals and organizations
 103.19 providing effective treatment services to
 103.20 problem gamblers and their families, and
 103.21 research related to problem gambling.

103.22 (b) The general fund base is \$2,636,000 in
 103.23 fiscal year 2024 and \$2,636,000 in fiscal year
 103.24 2025. The opiate epidemic response fund base
 103.25 is \$500,000 in fiscal year 2024 and \$0 in fiscal
 103.26 year 2025.

103.27 Subd. 29. Direct Care and Treatment -
 103.28 Generally

103.29 Transfer Authority. Money appropriated to
 103.30 budget activities under this subdivision and
 103.31 subdivisions 30 to 34, may be transferred
 103.32 between budget activities and between years
 103.33 of the biennium with the approval of the
 103.34 commissioner of management and budget.

103.35 Subd. 30. Direct Care and Treatment - Mental
 103.36 Health and Substance Abuse 142,940,000 144,103,000

104.1 (a) **Transfer Authority.** Money appropriated
 104.2 to support the continued operations of the
 104.3 Community Addiction Recovery Enterprise
 104.4 (C.A.R.E.) program may be transferred to the
 104.5 enterprise fund for C.A.R.E.

104.6 (b) **Operating Adjustment.** \$2,307,000 in
 104.7 fiscal year 2022 and \$2,453,000 in fiscal year
 104.8 2023 are appropriated for the Community
 104.9 Addiction Recovery Enterprise program. The
 104.10 commissioner may transfer \$2,307,000 in
 104.11 fiscal year 2022 and \$2,453,000 in fiscal year
 104.12 2023 to the enterprise fund for Community
 104.13 Addiction Recovery Enterprise.

104.14 Subd. 31. **Direct Care and Treatment -**
 104.15 **Community-Based Services**

18,695,000

19,752,000

104.16 (a) **Transfer Authority.** Money appropriated
 104.17 to support the continued operations of the
 104.18 Minnesota State Operated Community
 104.19 Services (MSOCS) program may be
 104.20 transferred to the enterprise fund for MSOCS.

104.21 (b) **Operating Adjustment.** \$1,519,000 in
 104.22 fiscal year 2022 and \$2,541,000 in fiscal year
 104.23 2023 are appropriated for the Minnesota State
 104.24 Operated Community Services program. The
 104.25 commissioner may transfer \$1,519,000 in
 104.26 fiscal year 2022 and \$2,541,000 in fiscal year
 104.27 2023 to the enterprise fund for Minnesota State
 104.28 Operated Community Services.

104.29 Subd. 32. **Direct Care and Treatment - Forensic**
 104.30 **Services**

121,039,000

122,206,000

104.31 Subd. 33. **Direct Care and Treatment - Sex**
 104.32 **Offender Program**

98,833,000

99,917,000

104.33 **Transfer Authority.** Money appropriated for
 104.34 the Minnesota sex offender program may be
 104.35 transferred between fiscal years of the

105.1 biennium with the approval of the
 105.2 commissioner of management and budget.

105.3 Subd. 34. **Direct Care and Treatment -**
 105.4 **Operations**

58,179,000

58,584,000

105.5 Subd. 35. **Technical Activities**

95,781,000

96,008,000

105.6 (a) **Generally.** This appropriation is from the
 105.7 federal TANF fund.

105.8 (b) **Base Level Adjustment.** The TANF fund
 105.9 base is \$71,493,000 in fiscal year 2024 and
 105.10 \$71,493,000 in fiscal year 2025.

105.11 Sec. 3. **APPROPRIATION; MINNESOTA FAMILY INVESTMENT PROGRAM**
 105.12 **SUPPLEMENTAL PAYMENT.**

105.13 \$24,235,000 in fiscal year 2021 is appropriated from the TANF fund to the commissioner
 105.14 of human services to provide a onetime cash benefit of up to \$750 for each household
 105.15 enrolled in the Minnesota family investment program or diversionary work program under
 105.16 Minnesota Statutes, chapter 256J, at the time that the cash benefit is distributed. The
 105.17 commissioner shall distribute these funds through existing systems and in a manner that
 105.18 minimizes the burden to families. This is a onetime appropriation.

105.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

105.20 Sec. 5. **GAMBLING FUNDS BALANCE TRANSFER.**

105.21 The commissioner shall cancel \$1,000,000 from the available balance in accounts
 105.22 established under Minnesota Statutes, section 297E.02, subdivision 3, paragraph (c), to the
 105.23 general fund by June 30, 2021.

105.24 Sec. 6. **TRANSFERS; HUMAN SERVICES.**

105.25 Subdivision 1. **Grants.** The commissioner of human services, with the approval of the
 105.26 commissioner of management and budget, may transfer unencumbered appropriation balances
 105.27 for the biennium ending June 30, 2023, within fiscal years among the MFIP, general
 105.28 assistance, medical assistance, MinnesotaCare, MFIP child care assistance under Minnesota
 105.29 Statutes, section 119B.05, Minnesota supplemental aid program, group residential housing
 105.30 program, the entitlement portion of Northstar Care for Children under Minnesota Statutes,
 105.31 chapter 256N, and the entitlement portion of the chemical dependency consolidated treatment

106.1 fund, and between fiscal years of the biennium. The commissioner shall inform the chairs
106.2 and ranking minority members of the senate Health and Human Services Finance Division
106.3 and the house of representatives Health and Human Services Finance Committee quarterly
106.4 about transfers made under this subdivision.

106.5 Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money
106.6 may be transferred within the Department of Human Services as the commissioners consider
106.7 necessary, with the advance approval of the commissioner of management and budget. The
106.8 commissioner shall inform the chairs and ranking minority members of the senate Health
106.9 and Human Services Finance Division and the house of representatives Health and Human
106.10 Services Finance Committee quarterly about transfers made under this subdivision.

106.11 **Sec. 7. INDIRECT COSTS NOT TO FUND PROGRAMS.**

106.12 The commissioners of health and human services shall not use indirect cost allocations
106.13 to pay for the operational costs of any program for which they are responsible.

106.14 **Sec. 8. EXPIRATION OF UNCODIFIED LANGUAGE.**

106.15 All uncodified language contained in this article expires on June 30, 2023, unless a
106.16 different expiration date is explicit.

245A.191 PROVIDER ELIGIBILITY FOR PAYMENTS FROM THE CHEMICAL DEPENDENCY CONSOLIDATED TREATMENT FUND.

(a) When a substance use disorder treatment provider licensed under this chapter, and governed by the standards of chapter 245G or Minnesota Rules, parts 2960.0430 to 2960.0490, agrees to meet the applicable requirements under section 254B.05, subdivision 5, to be eligible for enhanced funding from the chemical dependency consolidated treatment fund, the applicable requirements under section 254B.05 are also licensing requirements that may be monitored for compliance through licensing investigations and licensing inspections.

(b) Noncompliance with the requirements identified under paragraph (a) may result in:

(1) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(2) nonpayment of claims submitted by the license holder for public program reimbursement;

(3) recovery of payments made for the service;

(4) disenrollment in the public payment program; or

(5) other administrative, civil, or criminal penalties as provided by law.

256B.0596 MENTAL HEALTH CASE MANAGEMENT.

Counties shall contract with eligible providers willing to provide mental health case management services under section 256B.0625, subdivision 20. In order to be eligible, in addition to general provider requirements under this chapter, the provider must:

(1) be willing to provide the mental health case management services; and

(2) have a minimum of at least one contact with the client per week. This section is not intended to limit the ability of a county to provide its own mental health case management services.

256B.0916 EXPANSION OF HOME AND COMMUNITY-BASED SERVICES.

Subd. 2. **Distribution of funds; partnerships.** (a) Beginning with fiscal year 2000, the commissioner shall distribute all funding available for home and community-based waiver services for persons with developmental disabilities to individual counties or to groups of counties that form partnerships to jointly plan, administer, and authorize funding for eligible individuals. The commissioner shall encourage counties to form partnerships that have a sufficient number of recipients and funding to adequately manage the risk and maximize use of available resources.

(b) Counties must submit a request for funds and a plan for administering the program as required by the commissioner. The plan must identify the number of clients to be served, their ages, and their priority listing based on:

(1) requirements in Minnesota Rules, part 9525.1880; and

(2) statewide priorities identified in section 256B.092, subdivision 12.

The plan must also identify changes made to improve services to eligible persons and to improve program management.

(c) In allocating resources to counties, priority must be given to groups of counties that form partnerships to jointly plan, administer, and authorize funding for eligible individuals and to counties determined by the commissioner to have sufficient waiver capacity to maximize resource use.

(d) Within 30 days after receiving the county request for funds and plans, the commissioner shall provide a written response to the plan that includes the level of resources available to serve additional persons.

(e) Counties are eligible to receive medical assistance administrative reimbursement for administrative costs under criteria established by the commissioner.

(f) The commissioner shall manage waiver allocations in such a manner as to fully use available state and federal waiver appropriations.

Subd. 3. **Failure to develop partnerships or submit a plan.** (a) By October 1 of each year the commissioner shall notify the county board if any county determined by the commissioner to have insufficient capacity to maximize use of available resources fails to develop a partnership with other counties or fails to submit a plan as required in subdivision 2. The commissioner shall provide

APPENDIX
Repealed Minnesota Statutes: 21-03535

needed technical assistance to a county or group of counties that fails to form a partnership or submit a plan. If a county has not joined a county partnership or submitted a plan within 30 days following the notice by the commissioner of its failure, the commissioner shall require and assist that county to develop a plan or contract with another county or group of counties to plan and administer the waiver services program in that county.

(b) Counties may request technical assistance, management information, and administrative support from the commissioner at any time. The commissioner shall respond to county requests within 30 days. Priority shall be given to activities that support the administrative needs of newly formed county partnerships.

Subd. 4. **Allowed reserve.** Counties or groups of counties participating in partnerships that have submitted a plan under this section may develop an allowed reserve amount to meet crises and other unmet needs of current home and community-based waiver recipients. The amount of the allowed reserve shall be a county specific amount based upon documented past experience and projected need for the coming year described in an allowed reserve plan submitted for approval to the commissioner with the allocation request for the fiscal year.

Subd. 5. **Allocation of new diversions and priorities for reassignment of resources for developmental disabilities.** (a) The commissioner shall monitor county utilization of allocated resources and, as appropriate, reassign resources not utilized.

(b) Effective July 1, 2002, the commissioner shall authorize the spending of new diversion resources beginning January 1 of each year.

(c) Effective July 1, 2002, the commissioner shall manage the reassignment of waiver resources that occur from persons who have left the waiver in a manner that results in the cost reduction equivalent to delaying the reuse of those waiver resources by 180 days.

(d) Priority consideration for reassignment of resources shall be given to counties that form partnerships. In addition to the priorities listed in Minnesota Rules, part 9525.1880, the commissioner shall also give priority consideration to persons whose living situations are unstable due to the age or incapacity of the primary caregiver and to children to avoid out-of-home placement.

Subd. 8. **Financial and wait-list data reporting.** (a) The commissioner shall make available financial and waiting list information on the department's website.

(b) The financial information must include:

(1) the most recent end of session forecast available for the disability home and community-based waiver programs authorized under sections 256B.092 and 256B.49; and

(2) the most current financial information, updated at least monthly for the disability home and community-based waiver program authorized under section 256B.092 and three disability home and community-based waiver programs authorized under section 256B.49 for each county and tribal agency, including:

(i) the amount of resources allocated;

(ii) the amount of resources authorized for participants; and

(iii) the amount of allocated resources not authorized and the amount not used as provided in subdivision 12, and section 256B.49, subdivision 27.

(c) The waiting list information must be provided quarterly beginning August 1, 2016, and must include at least:

(1) the number of persons screened and waiting for services listed by urgency category, the number of months on the wait list, age group, and the type of services requested by those waiting;

(2) the number of persons beginning waiver services who were on the waiting list, and the number of persons beginning waiver services who were not on the waiting list;

(3) the number of persons who left the waiting list but did not begin waiver services; and

(4) the number of persons on the waiting list with approved funding but without a waiver service agreement and the number of days from funding approval until a service agreement is effective for each person.

(d) By December 1 of each year, the commissioner shall compile a report posted on the department's website that includes:

APPENDIX
Repealed Minnesota Statutes: 21-03535

(1) the financial information listed in paragraph (b) for the most recently completed allocation period;

(2) for the previous four quarters, the waiting list information listed in paragraph (c);

(3) for a 12-month period ending October 31, a list of county and tribal agencies required to submit a corrective action plan under subdivisions 11 and 12, and section 256B.49, subdivisions 26 and 27; and

(4) for a 12-month period ending October 31, a list of the county and tribal agencies from which resources were moved as authorized in section 256B.092, subdivision 12, and section 256B.49, subdivision 11a, the amount of resources taken from each agency, the counties that were given increased resources as a result, and the amounts provided.

Subd. 11. **Excess spending.** County and tribal agencies are responsible for spending in excess of the allocation made by the commissioner. In the event a county or tribal agency spends in excess of the allocation made by the commissioner for a given allocation period, they must submit a corrective action plan to the commissioner for approval. The plan must state the actions the agency will take to correct their overspending for the two years following the period when the overspending occurred. The commissioner shall recoup spending in excess of the allocation only in cases where statewide spending exceeds the appropriation designated for the home and community-based services waivers. Nothing in this subdivision shall be construed as reducing the county's responsibility to offer and make available feasible home and community-based options to eligible waiver recipients within the resources allocated to them for that purpose.

Subd. 12. **Use of waiver allocations.** County and tribal agencies are responsible for spending the annual allocation made by the commissioner. In the event a county or tribal agency spends less than 97 percent of the allocation, while maintaining a list of persons waiting for waiver services, the county or tribal agency must submit a corrective action plan to the commissioner for approval. The commissioner may determine a plan is unnecessary given the size of the allocation and capacity for new enrollment. The plan must state the actions the agency will take to assure reasonable and timely access to home and community-based waiver services for persons waiting for services. If a county or tribe does not submit a plan when required or implement the changes required, the commissioner shall assure access to waiver services within the county's or tribe's available allocation and take other actions needed to assure that all waiver participants in that county or tribe are receiving appropriate waiver services to meet their needs.

256B.097 STATE QUALITY ASSURANCE, QUALITY IMPROVEMENT, AND LICENSING SYSTEM.

Subdivision 1. **Scope.** (a) In order to improve the quality of services provided to Minnesotans with disabilities and to meet the requirements of the federally approved home and community-based waivers under section 1915c of the Social Security Act, a State Quality Assurance, Quality Improvement, and Licensing System for Minnesotans receiving disability services is enacted. This system is a partnership between the Department of Human Services and the State Quality Council established under subdivision 3.

(b) This system is a result of the recommendations from the Department of Human Services' licensing and alternative quality assurance study mandated under Laws 2005, First Special Session chapter 4, article 7, section 57, and presented to the legislature in February 2007.

(c) The disability services eligible under this section include:

(1) the home and community-based services waiver programs for persons with developmental disabilities under section 256B.092, subdivision 4, or section 256B.49, including brain injuries and services for those who qualify for nursing facility level of care or hospital facility level of care and any other services licensed under chapter 245D;

(2) home care services under section 256B.0651;

(3) family support grants under section 252.32;

(4) consumer support grants under section 256.476;

(5) semi-independent living services under section 252.275; and

(6) services provided through an intermediate care facility for the developmentally disabled.

(d) For purposes of this section, the following definitions apply:

APPENDIX
Repealed Minnesota Statutes: 21-03535

- (1) "commissioner" means the commissioner of human services;
- (2) "council" means the State Quality Council under subdivision 3;
- (3) "Quality Assurance Commission" means the commission under section 256B.0951; and
- (4) "system" means the State Quality Assurance, Quality Improvement and Licensing System under this section.

Subd. 2. **Duties of commissioner of human services.** (a) The commissioner of human services shall establish the State Quality Council under subdivision 3.

(b) The commissioner shall initially delegate authority to perform licensing functions and activities according to section 245A.16 to a host county in Region 10. The commissioner must not license or reimburse a participating facility, program, or service located in Region 10 if the commissioner has received notification from the host county that the facility, program, or service has failed to qualify for licensure.

(c) The commissioner may conduct random licensing inspections based on outcomes adopted under section 256B.0951, subdivision 3, at facilities or programs, and of services eligible under this section. The role of the random inspections is to verify that the system protects the safety and well-being of persons served and maintains the availability of high-quality services for persons with disabilities.

(d) The commissioner shall ensure that the federal home and community-based waiver requirements are met and that incidents that may have jeopardized safety and health or violated services-related assurances, civil and human rights, and other protections designed to prevent abuse, neglect, and exploitation, are reviewed, investigated, and acted upon in a timely manner.

(e) The commissioner shall seek a federal waiver by July 1, 2012, to allow intermediate care facilities for persons with developmental disabilities to participate in this system.

Subd. 3. **State Quality Council.** (a) There is hereby created a State Quality Council which must define regional quality councils, and carry out a community-based, person-directed quality review component, and a comprehensive system for effective incident reporting, investigation, analysis, and follow-up.

(b) By August 1, 2011, the commissioner of human services shall appoint the members of the initial State Quality Council. Members shall include representatives from the following groups:

- (1) disability service recipients and their family members;
- (2) during the first four years of the State Quality Council, there must be at least three members from the Region 10 stakeholders. As regional quality councils are formed under subdivision 4, each regional quality council shall appoint one member;
- (3) disability service providers;
- (4) disability advocacy groups; and
- (5) county human services agencies and staff from the Department of Human Services and Ombudsman for Mental Health and Developmental Disabilities.

(c) Members of the council who do not receive a salary or wages from an employer for time spent on council duties may receive a per diem payment when performing council duties and functions.

(d) The State Quality Council shall:

(1) assist the Department of Human Services in fulfilling federally mandated obligations by monitoring disability service quality and quality assurance and improvement practices in Minnesota;

(2) establish state quality improvement priorities with methods for achieving results and provide an annual report to the legislative committees with jurisdiction over policy and funding of disability services on the outcomes, improvement priorities, and activities undertaken by the commission during the previous state fiscal year;

(3) identify issues pertaining to financial and personal risk that impede Minnesotans with disabilities from optimizing choice of community-based services; and

(4) recommend to the chairs and ranking minority members of the legislative committees with jurisdiction over human services and civil law by January 15, 2014, statutory and rule changes

APPENDIX
Repealed Minnesota Statutes: 21-03535

related to the findings under clause (3) that promote individualized service and housing choices balanced with appropriate individualized protection.

(e) The State Quality Council, in partnership with the commissioner, shall:

(1) approve and direct implementation of the community-based, person-directed system established in this section;

(2) recommend an appropriate method of funding this system, and determine the feasibility of the use of Medicaid, licensing fees, as well as other possible funding options;

(3) approve measurable outcomes in the areas of health and safety, consumer evaluation, education and training, providers, and systems;

(4) establish variable licensure periods not to exceed three years based on outcomes achieved; and

(5) in cooperation with the Quality Assurance Commission, design a transition plan for licensed providers from Region 10 into the alternative licensing system.

(f) The State Quality Council shall notify the commissioner of human services that a facility, program, or service has been reviewed by quality assurance team members under subdivision 4, paragraph (b), clause (13), and qualifies for a license.

(g) The State Quality Council, in partnership with the commissioner, shall establish an ongoing review process for the system. The review shall take into account the comprehensive nature of the system which is designed to evaluate the broad spectrum of licensed and unlicensed entities that provide services to persons with disabilities. The review shall address efficiencies and effectiveness of the system.

(h) The State Quality Council may recommend to the commissioner certain variances from the standards governing licensure of programs for persons with disabilities in order to improve the quality of services so long as the recommended variances do not adversely affect the health or safety of persons being served or compromise the qualifications of staff to provide services.

(i) The safety standards, rights, or procedural protections referenced under subdivision 2, paragraph (c), shall not be varied. The State Quality Council may make recommendations to the commissioner or to the legislature in the report required under paragraph (c) regarding alternatives or modifications to the safety standards, rights, or procedural protections referenced under subdivision 2, paragraph (c).

(j) The State Quality Council may hire staff to perform the duties assigned in this subdivision.

Subd. 4. Regional quality councils. (a) The commissioner shall establish, as selected by the State Quality Council, regional quality councils of key stakeholders, including regional representatives of:

(1) disability service recipients and their family members;

(2) disability service providers;

(3) disability advocacy groups; and

(4) county human services agencies and staff from the Department of Human Services and Ombudsman for Mental Health and Developmental Disabilities.

(b) Each regional quality council shall:

(1) direct and monitor the community-based, person-directed quality assurance system in this section;

(2) approve a training program for quality assurance team members under clause (13);

(3) review summary reports from quality assurance team reviews and make recommendations to the State Quality Council regarding program licensure;

(4) make recommendations to the State Quality Council regarding the system;

(5) resolve complaints between the quality assurance teams, counties, providers, persons receiving services, their families, and legal representatives;

(6) analyze and review quality outcomes and critical incident data reporting incidents of life safety concerns immediately to the Department of Human Services licensing division;

APPENDIX
Repealed Minnesota Statutes: 21-03535

- (7) provide information and training programs for persons with disabilities and their families and legal representatives on service options and quality expectations;
 - (8) disseminate information and resources developed to other regional quality councils;
 - (9) respond to state-level priorities;
 - (10) establish regional priorities for quality improvement;
 - (11) submit an annual report to the State Quality Council on the status, outcomes, improvement priorities, and activities in the region;
 - (12) choose a representative to participate on the State Quality Council and assume other responsibilities consistent with the priorities of the State Quality Council; and
 - (13) recruit, train, and assign duties to members of quality assurance teams, taking into account the size of the service provider, the number of services to be reviewed, the skills necessary for the team members to complete the process, and ensure that no team member has a financial, personal, or family relationship with the facility, program, or service being reviewed or with anyone served at the facility, program, or service. Quality assurance teams must be comprised of county staff, persons receiving services or the person's families, legal representatives, members of advocacy organizations, providers, and other involved community members. Team members must complete the training program approved by the regional quality council and must demonstrate performance-based competency. Team members may be paid a per diem and reimbursed for expenses related to their participation in the quality assurance process.
- (c) The commissioner shall monitor the safety standards, rights, and procedural protections for the monitoring of psychotropic medications and those identified under sections 245.825; 245.91 to 245.97; 245A.09, subdivision 2, paragraph (c), clauses (2) and (5); 245A.12; 245A.13; 252.41, subdivision 9; 256B.092, subdivision 1b, clause (7); and 626.557; and chapter 260E.
- (d) The regional quality councils may hire staff to perform the duties assigned in this subdivision.
- (e) The regional quality councils may charge fees for their services.
- (f) The quality assurance process undertaken by a regional quality council consists of an evaluation by a quality assurance team of the facility, program, or service. The process must include an evaluation of a random sample of persons served. The sample must be representative of each service provided. The sample size must be at least five percent but not less than two persons served. All persons must be given the opportunity to be included in the quality assurance process in addition to those chosen for the random sample.
- (g) A facility, program, or service may contest a licensing decision of the regional quality council as permitted under chapter 245A.

Subd. 5. Annual survey of service recipients. The commissioner, in consultation with the State Quality Council, shall conduct an annual independent statewide survey of service recipients, randomly selected, to determine the effectiveness and quality of disability services. The survey must be consistent with the system performance expectations of the Centers for Medicare and Medicaid Services (CMS) Quality Framework. The survey must analyze whether desired outcomes for persons with different demographic, diagnostic, health, and functional needs, who are receiving different types of services in different settings and with different costs, have been achieved. Annual statewide and regional reports of the results must be published and used to assist regions, counties, and providers to plan and measure the impact of quality improvement activities.

Subd. 6. Mandated reporters. Members of the State Quality Council under subdivision 3, the regional quality councils under subdivision 4, and quality assurance team members under subdivision 4, paragraph (b), clause (13), are mandated reporters as defined in sections 260E.06, subdivision 1, and 626.5572, subdivision 16.

256B.49 HOME AND COMMUNITY-BASED SERVICE WAIVERS FOR PERSONS WITH DISABILITIES.

Subd. 26. Excess allocations. Effective July 1, 2018, county and tribal agencies will be responsible for spending in excess of the annual allocation made by the commissioner. In the event a county or tribal agency spends in excess of the allocation made by the commissioner for a given allocation period, the county or tribal agency must submit a corrective action plan to the commissioner for approval. The plan must state the actions the agency will take to correct its overspending for the two years following the period when the overspending occurred. The

commissioner shall recoup funds spent in excess of the allocation only in cases when statewide spending exceeds the appropriation designated for the home and community-based services waivers. Nothing in this subdivision shall be construed as reducing the county or tribe's responsibility to offer and make available feasible home and community-based options to eligible waiver recipients within the resources allocated to it for that purpose.

Subd. 27. **Use of waiver allocations.** (a) Effective until June 30, 2018, county and tribal agencies are responsible for authorizing the annual allocation made by the commissioner. In the event a county or tribal agency authorizes less than 97 percent of the allocation, while maintaining a list of persons waiting for waiver services, the county or tribal agency must submit a corrective action plan to the commissioner for approval. The commissioner may determine a plan is unnecessary given the size of the allocation and capacity for new enrollment. The plan must state the actions the agency will take to assure reasonable and timely access to home and community-based waiver services for persons waiting for services.

(b) Effective July 1, 2018, county and tribal agencies are responsible for spending the annual allocation made by the commissioner. In the event a county or tribal agency spends less than 97 percent of the allocation, while maintaining a list of persons waiting for waiver services, the county or tribal agency must submit a corrective action plan to the commissioner for approval. The commissioner may determine a plan is unnecessary given the size of the allocation and capacity for new enrollment. The plan must state the actions the agency will take to assure reasonable and timely access to home and community-based waiver services for persons waiting for services.

(c) If a county or tribe does not submit a plan when required or implement the changes required, the commissioner shall assure access to waiver services within the county or tribe's available allocation, and take other actions needed to assure that all waiver participants in that county or tribe are receiving appropriate waiver services to meet their needs.

256D.051 SNAP EMPLOYMENT AND TRAINING PROGRAM.

Subdivision 1. **SNAP employment and training program.** The commissioner shall implement a SNAP employment and training program in order to meet the SNAP employment and training participation requirements of the United States Department of Agriculture. Unless exempt under subdivision 3a, each adult recipient in the unit must participate in the SNAP employment and training program each month that the person is eligible for SNAP benefits. The person's participation in SNAP employment and training services must begin no later than the first day of the calendar month following the determination of eligibility for SNAP benefits. With the county agency's consent, and to the extent of available resources, the person may voluntarily continue to participate in SNAP employment and training services for up to three additional consecutive months immediately following termination of SNAP benefits in order to complete the provisions of the person's employability development plan.

Subd. 1a. **Notices and sanctions.** (a) At the time the county agency notifies the household that it is eligible for SNAP benefits, the county agency must inform all mandatory employment and training services participants as identified in subdivision 1 in the household that they must comply with all SNAP employment and training program requirements each month, including the requirement to attend an initial orientation to the SNAP employment and training program and that SNAP eligibility will end unless the participants comply with the requirements specified in the notice.

(b) A participant who fails without good cause to comply with SNAP employment and training program requirements of this section, including attendance at orientation, will lose SNAP eligibility for the following periods:

(1) for the first occurrence, for one month or until the person complies with the requirements not previously complied with, whichever is longer;

(2) for the second occurrence, for three months or until the person complies with the requirements not previously complied with, whichever is longer; or

(3) for the third and any subsequent occurrence, for six months or until the person complies with the requirements not previously complied with, whichever is longer.

If the participant is not the SNAP head of household, the person shall be considered an ineligible household member for SNAP purposes. If the participant is the SNAP head of household, the entire household is ineligible for SNAP as provided in Code of Federal Regulations, title 7, section 273.7(g). "Good cause" means circumstances beyond the control of the participant, such as illness or injury, illness or injury of another household member requiring the participant's presence, a household emergency, or the inability to obtain child care for children between the ages of six and

12 or to obtain transportation needed in order for the participant to meet the SNAP employment and training program participation requirements.

(c) The county agency shall mail or hand deliver a notice to the participant not later than five days after determining that the participant has failed without good cause to comply with SNAP employment and training program requirements which specifies the requirements that were not complied with, the factual basis for the determination of noncompliance, and the right to reinstate eligibility upon a showing of good cause for failure to meet the requirements. The notice must ask the reason for the noncompliance and identify the participant's appeal rights. The notice must request that the participant inform the county agency if the participant believes that good cause existed for the failure to comply and must state that the county agency intends to terminate eligibility for SNAP benefits due to failure to comply with SNAP employment and training program requirements.

(d) If the county agency determines that the participant did not comply during the month with all SNAP employment and training program requirements that were in effect, and if the county agency determines that good cause was not present, the county must provide a ten-day notice of termination of SNAP benefits. The amount of SNAP benefits that are withheld from the household and determination of the impact of the sanction on other household members is governed by Code of Federal Regulations, title 7, section 273.7.

(e) The participant may appeal the termination of SNAP benefits under the provisions of section 256.045.

Subd. 2. **County agency duties.** (a) The county agency shall provide to SNAP benefit recipients a SNAP employment and training program. The program must include:

- (1) orientation to the SNAP employment and training program;
- (2) an individualized employability assessment and an individualized employability development plan that includes assessment of literacy, ability to communicate in the English language, educational and employment history, and that estimates the length of time it will take the participant to obtain employment. The employability assessment and development plan must be completed in consultation with the participant, must assess the participant's assets, barriers, and strengths, and must identify steps necessary to overcome barriers to employment. A copy of the employability development plan must be provided to the registrant;
- (3) referral to available accredited remedial or skills training programs designed to address participant's barriers to employment;
- (4) referral to available programs that provide subsidized or unsubsidized employment as necessary;
- (5) a job search program, including job seeking skills training; and
- (6) other activities, to the extent of available resources designed by the county agency to prepare the participant for permanent employment.

In order to allow time for job search, the county agency may not require an individual to participate in the SNAP employment and training program for more than 32 hours a week. The county agency shall require an individual to spend at least eight hours a week in job search or other SNAP employment and training program activities.

(b) The county agency shall prepare an annual plan for the operation of its SNAP employment and training program. The plan must be submitted to and approved by the commissioner of employment and economic development. The plan must include:

- (1) a description of the services to be offered by the county agency;
- (2) a plan to coordinate the activities of all public entities providing employment-related services in order to avoid duplication of effort and to provide services more efficiently;
- (3) a description of the factors that will be taken into account when determining a client's employability development plan; and
- (4) provisions to ensure that the county agency's employment and training service provider provides each recipient with an orientation, employability assessment, and employability development plan as specified in paragraph (a), clauses (1) and (2), within 30 days of the recipient's eligibility for assistance.

APPENDIX
Repealed Minnesota Statutes: 21-03535

Subd. 2a. **Duties of commissioner.** In addition to any other duties imposed by law, the commissioner shall:

(1) based on this section and section 256D.052 and Code of Federal Regulations, title 7, section 273.7, supervise the administration of SNAP employment and training services to county agencies;

(2) disburse money appropriated for SNAP employment and training services to county agencies based upon the county's costs as specified in section 256D.051, subdivision 6c;

(3) 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 SNAP employment and training services;

(4) 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 this section and section 256D.052; and

(5) in cooperation with the commissioner of employment and economic development, ensure that each component of an employment and training program carried out under this section is delivered through a statewide workforce development system, unless the component is not available locally through such a system.

Subd. 3. **Participant duties.** In order to receive SNAP assistance, a registrant shall: (1) cooperate with the county agency in all aspects of the SNAP employment and training program; (2) accept any suitable employment, including employment offered through the Job Training Partnership Act, and other employment and training options; and (3) participate in SNAP employment and training activities assigned by the county agency. The county agency may terminate assistance to a registrant who fails to cooperate in the SNAP employment and training program, as provided in subdivision 1a.

Subd. 3a. **Requirement to register work.** (a) To the extent required under Code of Federal Regulations, title 7, section 273.7(a), each applicant for and recipient of SNAP benefits is required to register for work as a condition of eligibility for SNAP benefits. Applicants and recipients are registered by signing an application or annual reapplication for SNAP benefits, and must be informed that they are registering for work by signing the form.

(b) The commissioner shall determine, within federal requirements, persons required to participate in the SNAP employment and training program.

(c) The following SNAP benefit recipients are exempt from mandatory participation in SNAP employment and training services:

(1) recipients of benefits under the Minnesota family investment program, Minnesota supplemental aid program, or the general assistance program;

(2) a child;

(3) a recipient over age 55;

(4) a recipient who has a mental or physical illness, injury, or incapacity which is expected to continue for at least 30 days and which impairs the recipient's ability to obtain or retain employment as evidenced by professional certification or the receipt of temporary or permanent disability benefits issued by a private or government source;

(5) a parent or other household member responsible for the care of either a dependent child in the household who is under age six or a person in the household who is professionally certified as having a physical or mental illness, injury, or incapacity. Only one parent or other household member may claim exemption under this provision;

(6) a recipient receiving unemployment insurance or who has applied for unemployment insurance and has been required to register for work with the Department of Employment and Economic Development as part of the unemployment insurance application process;

(7) a recipient participating each week in a drug addiction or alcohol abuse treatment and rehabilitation program, provided the operators of the treatment and rehabilitation program, in consultation with the county agency, recommend that the recipient not participate in the SNAP employment and training program;

(8) a recipient employed or self-employed for 30 or more hours per week at employment paying at least minimum wage, or who earns wages from employment equal to or exceeding 30 hours multiplied by the federal minimum wage; or

APPENDIX
Repealed Minnesota Statutes: 21-03535

(9) a student enrolled at least half time in any school, training program, or institution of higher education. When determining if a student meets this criteria, the school's, program's or institution's criteria for being enrolled half time shall be used.

Subd. 3b. **Orientation.** The county agency or its employment and training service provider must provide an orientation to SNAP employment and training services to each nonexempt SNAP benefit recipient within 30 days of the date that SNAP eligibility is determined. The orientation must inform the participant of the requirement to participate in services, the date, time, and address to report to for services, the name and telephone number of the SNAP employment and training service provider, the consequences for failure without good cause to comply, the services and support services available through SNAP employment and training services and other providers of similar services, and must encourage the participant to view the SNAP benefits program as a temporary means of supplementing the family's food needs until the family achieves self-sufficiency through employment. The orientation may be provided through audio-visual methods, but the participant must have the opportunity for face-to-face interaction with county agency staff.

Subd. 6b. **Federal reimbursement.** (a) Federal financial participation from the United States Department of Agriculture for SNAP employment and training expenditures that are eligible for reimbursement through the SNAP employment and training program are dedicated funds and are annually appropriated to the commissioner of human services for the operation of the SNAP employment and training program.

(b) The appropriation must be used for skill attainment through employment, training, and support services for SNAP participants.

(c) Federal financial participation for the nonstate portion of SNAP employment and training costs must be paid to the county agency or service provider that incurred the costs.

Subd. 6c. **Program funding.** Within the limits of available resources, the commissioner shall reimburse the actual costs of county agencies and their employment and training service providers for the provision of SNAP employment and training services, including participant support services, direct program services, and program administrative activities. The cost of services for each county's SNAP employment and training program shall not exceed the annual allocated amount. No more than 15 percent of program funds may be used for administrative activities. The county agency may expend county funds in excess of the limits of this subdivision without state reimbursement.

Program funds shall be allocated based on the county's average number of SNAP eligible cases as compared to the statewide total number of such cases. The average number of cases shall be based on counts of cases as of March 31, June 30, September 30, and December 31 of the previous calendar year. The commissioner may reallocate unexpended money appropriated under this section to those county agencies that demonstrate a need for additional funds.

Subd. 7. **Registrant status.** A registrant under this section is not an employee for the purposes of workers' compensation, unemployment benefits, retirement, or civil service laws, and shall not perform work ordinarily performed by a regular public employee.

Subd. 8. **Voluntary quit.** A person who is required to participate in SNAP employment and training services is not eligible for SNAP benefits if, without good cause, the person refuses a legitimate offer of, or quits, suitable employment within 60 days before the date of application. A person who is required to participate in SNAP employment and training services and, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving SNAP benefits shall be terminated from the SNAP program as specified in subdivision 1a.

Subd. 9. **Subcontractors.** A county agency may, at its option, subcontract any or all of the duties under this section to a public or private entity approved by the commissioner of employment and economic development.

Subd. 18. **Work experience placements.** (a) To the extent of available resources, each county agency must establish and operate a work experience component in the SNAP employment and training program for recipients who are subject to a federal limit of three months of SNAP eligibility in any 36-month period. The purpose of the work experience component is to enhance the participant's employability, self-sufficiency, and to provide meaningful, productive work activities.

(b) The commissioner shall assist counties in the design and implementation of these components. The commissioner must ensure that job placements under a work experience component comply with section 256J.72. Written or oral concurrence with job duties of persons placed under the

community work experience program shall be obtained from the appropriate exclusive bargaining representative.

(c) Worksites developed under this section are limited to projects that serve a useful public service such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, community service, services to aged citizens or citizens with a disability, and child care. To the extent possible, the prior training, skills, and experience of a recipient must be used in making appropriate work experience assignments.

(d) Structured, supervised volunteer work with an agency or organization that is monitored by the county service provider may, with the approval of the county agency, be used as a work experience placement.

(e) As a condition of placing a person receiving SNAP benefits in a program under this subdivision, the county agency shall first provide the recipient the opportunity:

(1) for placement in suitable subsidized or unsubsidized employment through participation in job search under section 256D.051; or

(2) for placement in suitable employment through participation in on-the-job training, if such employment is available.

(f) The county agency shall limit the maximum monthly number of hours that any participant may work in a work experience placement to a number equal to the amount of the family's monthly SNAP benefit allotment divided by the greater of the federal minimum wage or the applicable state minimum wage.

After a participant has been assigned to a position for nine months, the participant may not continue in that assignment unless the maximum number of hours a participant works is no greater than the amount of the SNAP benefit divided by the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site.

(g) The participant's employability development plan must include the length of time needed in the work experience program, the need to continue job seeking activities while participating in work experience, and the participant's employment goals.

(h) After each six months of a recipient's participation in a work experience job placement, and at the conclusion of each work experience assignment under this section, the county agency shall reassess and revise, as appropriate, the participant's employability development plan.

(i) A participant has good cause for failure to cooperate with a work experience job placement if, in the judgment of the employment and training service provider, the reason for failure is reasonable and justified. Good cause for purposes of this section is defined in subdivision 1a, paragraph (b).

(j) A recipient who has failed without good cause to participate in or comply with the work experience job placement shall be terminated from participation in work experience job activities. If the recipient is not exempt from mandatory SNAP employment and training program participation under subdivision 3a, the recipient will be assigned to other mandatory program activities. If the recipient is exempt from mandatory participation but is participating as a volunteer, the person shall be terminated from the SNAP employment and training program.

256D.052 LITERACY TRAINING FOR RECIPIENTS.

Subd. 3. **Participant literacy transportation costs.** Within the limits of the state appropriation the county agency must provide transportation to enable Supplemental Nutrition Assistance Program (SNAP) employment and training participants to participate in literacy training under this section. The state shall reimburse county agencies for the costs of providing transportation under this section up to the amount of the state appropriation. Counties must make every effort to ensure that child care is available as needed by recipients who are pursuing literacy training.

256J.08 DEFINITIONS.

Subd. 10. **Budget month.** "Budget month" means the calendar month which the county agency uses to determine the income or circumstances of an assistance unit to calculate the amount of the assistance payment in the payment month.

Subd. 53. **Lump sum.** "Lump sum" means nonrecurring income that is not excluded in section 256J.21.

Subd. 61. **Monthly income test.** "Monthly income test" means the test used to determine ongoing eligibility and the assistance payment amount according to section 256J.21.

Subd. 62. **Nonrecurring income.** "Nonrecurring income" means a form of income which is received:

(1) only one time or is not of a continuous nature; or

(2) in a prospective payment month but is no longer received in the corresponding retrospective payment month.

Subd. 81. **Retrospective budgeting.** "Retrospective budgeting" means a method of determining the amount of the assistance payment in which the payment month is the second month after the budget month.

Subd. 83. **Significant change.** "Significant change" means a decline in gross income of the amount of the disregard as defined in section 256P.03 or more from the income used to determine the grant for the current month.

256J.30 APPLICANT AND PARTICIPANT REQUIREMENTS AND RESPONSIBILITIES.

Subd. 5. **Monthly MFIP household reports.** Each assistance unit with a member who has earned income or a recent work history, and each assistance unit that has income deemed to it from a financially responsible person must complete a monthly MFIP household report form. "Recent work history" means the individual received earned income in the report month or any of the previous three calendar months even if the earnings are excluded. To be complete, the MFIP household report form must be signed and dated by the caregivers no earlier than the last day of the reporting period. All questions required to determine assistance payment eligibility must be answered, and documentation of earned income must be included.

Subd. 7. **Due date of MFIP household report form.** An MFIP household report form must be received by the county agency by the eighth calendar day of the month following the reporting period covered by the form. When the eighth calendar day of the month falls on a weekend or holiday, the MFIP household report form must be received by the county agency the first working day that follows the eighth calendar day.

Subd. 8. **Late MFIP household report forms.** (a) Paragraphs (b) to (e) apply to the reporting requirements in subdivision 7.

(b) When the county agency receives an incomplete MFIP household report form, the county agency must immediately return the incomplete form and clearly state what the caregiver must do for the form to be complete.

(c) The automated eligibility system must send a notice of proposed termination of assistance to the assistance unit if a complete MFIP household report form is not received by a county agency. The automated notice must be mailed to the caregiver by approximately the 16th of the month. When a caregiver submits an incomplete form on or after the date a notice of proposed termination has been sent, the termination is valid unless the caregiver submits a complete form before the end of the month.

(d) An assistance unit required to submit an MFIP household report form is considered to have continued its application for assistance if a complete MFIP household report form is received within a calendar month after the month in which the form was due and assistance shall be paid for the period beginning with the first day of that calendar month.

(e) A county agency must allow good cause exemptions from the reporting requirements under subdivision 5 when any of the following factors cause a caregiver to fail to provide the county agency with a completed MFIP household report form before the end of the month in which the form is due:

(1) an employer delays completion of employment verification;

(2) a county agency does not help a caregiver complete the MFIP household report form when the caregiver asks for help;

(3) a caregiver does not receive an MFIP household report form due to mistake on the part of the department or the county agency or due to a reported change in address;

(4) a caregiver is ill, or physically or mentally incapacitated; or

(5) some other circumstance occurs that a caregiver could not avoid with reasonable care which prevents the caregiver from providing a completed MFIP household report form before the end of the month in which the form is due.

256J.33 PROSPECTIVE AND RETROSPECTIVE MFIP ELIGIBILITY.

Subd. 3. **Retrospective eligibility.** After the first two months of MFIP eligibility, a county agency must continue to determine whether an assistance unit is prospectively eligible for the payment month by looking at all factors other than income and then determine whether the assistance unit is retrospectively income eligible by applying the monthly income test to the income from the budget month. When the monthly income test is not satisfied, the assistance payment must be suspended when ineligibility exists for one month or ended when ineligibility exists for more than one month.

Subd. 4. **Monthly income test.** A county agency must apply the monthly income test retrospectively for each month of MFIP eligibility. An assistance unit is not eligible when the countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit. The income applied against the monthly income test must include:

(1) gross earned income from employment, prior to mandatory payroll deductions, voluntary payroll deductions, wage authorizations, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36, unless the employment income is specifically excluded under section 256J.21, subdivision 2;

(2) gross earned income from self-employment less deductions for self-employment expenses in section 256J.37, subdivision 5, but prior to any reductions for personal or business state and federal income taxes, personal FICA, personal health and life insurance, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36;

(3) unearned income after deductions for allowable expenses in section 256J.37, subdivision 9, and allocations in section 256J.36, unless the income has been specifically excluded in section 256J.21, subdivision 2;

(4) gross earned income from employment as determined under clause (1) which is received by a member of an assistance unit who is a minor child or minor caregiver and less than a half-time student;

(5) child support received by an assistance unit, excluded under section 256J.21, subdivision 2, clause (49), or section 256P.06, subdivision 3, clause (2), item (xvi);

(6) spousal support received by an assistance unit;

(7) the income of a parent when that parent is not included in the assistance unit;

(8) the income of an eligible relative and spouse who seek to be included in the assistance unit; and

(9) the unearned income of a minor child included in the assistance unit.

Subd. 5. **When to terminate assistance.** When an assistance unit is ineligible for MFIP assistance for two consecutive months, the county agency must terminate MFIP assistance.

256J.34 CALCULATING ASSISTANCE PAYMENTS.

Subdivision 1. **Prospective budgeting.** A county agency must use prospective budgeting to calculate the assistance payment amount for the first two months for an applicant who has not received assistance in this state for at least one payment month preceding the first month of payment under a current application. Notwithstanding subdivision 3, paragraph (a), clause (2), a county agency must use prospective budgeting for the first two months for a person who applies to be added to an assistance unit. Prospective budgeting is not subject to overpayments or underpayments unless fraud is determined under section 256.98.

(a) The county agency must apply the income received or anticipated in the first month of MFIP eligibility against the need of the first month. The county agency must apply the income received or anticipated in the second month against the need of the second month.

(b) When the assistance payment for any part of the first two months is based on anticipated income, the county agency must base the initial assistance payment amount on the information available at the time the initial assistance payment is made.

APPENDIX
Repealed Minnesota Statutes: 21-03535

(c) The county agency must determine the assistance payment amount for the first two months of MFIP eligibility by budgeting both recurring and nonrecurring income for those two months.

Subd. 2. **Retrospective budgeting.** The county agency must use retrospective budgeting to calculate the monthly assistance payment amount after the payment for the first two months has been made under subdivision 1.

Subd. 3. **Additional uses of retrospective budgeting.** Notwithstanding subdivision 1, the county agency must use retrospective budgeting to calculate the monthly assistance payment amount for the first two months under paragraphs (a) and (b).

(a) The county agency must use retrospective budgeting to determine the amount of the assistance payment in the first two months of MFIP eligibility:

(1) when an assistance unit applies for assistance for the same month for which assistance has been interrupted, the interruption in eligibility is less than one payment month, the assistance payment for the preceding month was issued in this state, and the assistance payment for the immediately preceding month was determined retrospectively; or

(2) when a person applies in order to be added to an assistance unit, that assistance unit has received assistance in this state for at least the two preceding months, and that person has been living with and has been financially responsible for one or more members of that assistance unit for at least the two preceding months.

(b) Except as provided in clauses (1) to (4), the county agency must use retrospective budgeting and apply income received in the budget month by an assistance unit and by a financially responsible household member who is not included in the assistance unit against the MFIP standard of need or family wage level to determine the assistance payment to be issued for the payment month.

(1) When a source of income ends prior to the third payment month, that income is not considered in calculating the assistance payment for that month. When a source of income ends prior to the fourth payment month, that income is not considered when determining the assistance payment for that month.

(2) When a member of an assistance unit or a financially responsible household member leaves the household of the assistance unit, the income of that departed household member is not budgeted retrospectively for any full payment month in which that household member does not live with that household and is not included in the assistance unit.

(3) When an individual is removed from an assistance unit because the individual is no longer a minor child, the income of that individual is not budgeted retrospectively for payment months in which that individual is not a member of the assistance unit, except that income of an ineligible child in the household must continue to be budgeted retrospectively against the child's needs when the parent or parents of that child request allocation of their income against any unmet needs of that ineligible child.

(4) When a person ceases to have financial responsibility for one or more members of an assistance unit, the income of that person is not budgeted retrospectively for the payment months which follow the month in which financial responsibility ends.

Subd. 4. **Significant change in gross income.** The county agency must recalculate the assistance payment when an assistance unit experiences a significant change, as defined in section 256J.08, resulting in a reduction in the gross income received in the payment month from the gross income received in the budget month. The county agency must issue a supplemental assistance payment based on the county agency's best estimate of the assistance unit's income and circumstances for the payment month. Supplemental assistance payments that result from significant changes are limited to two in a 12-month period regardless of the reason for the change. Notwithstanding any other statute or rule of law, supplementary assistance payments shall not be made when the significant change in income is the result of receipt of a lump sum, receipt of an extra paycheck, business fluctuation in self-employment income, or an assistance unit member's participation in a strike or other labor action.

256J.37 TREATMENT OF INCOME AND LUMP SUMS.

Subd. 10. **Treatment of lump sums.** (a) The agency must treat lump-sum payments as earned or unearned income. If the lump-sum payment is included in the category of income identified in subdivision 9, it must be treated as unearned income. A lump sum is counted as income in the month received and budgeted either prospectively or retrospectively depending on the budget cycle at the time of receipt. When an individual receives a lump-sum payment, that lump sum must be combined

APPENDIX
Repealed Minnesota Statutes: 21-03535

with all other earned and unearned income received in the same budget month, and it must be applied according to paragraphs (a) to (c). A lump sum may not be carried over into subsequent months. Any funds that remain in the third month after the month of receipt are counted in the asset limit.

(b) For a lump sum received by an applicant during the first two months, prospective budgeting is used to determine the payment and the lump sum must be combined with other earned or unearned income received and budgeted in that prospective month.

(c) For a lump sum received by a participant after the first two months of MFIP eligibility, the lump sum must be combined with other income received in that budget month, and the combined amount must be applied retrospectively against the applicable payment month.

(d) When a lump sum, combined with other income under paragraphs (b) and (c), is less than the MFIP transitional standard for the appropriate payment month, the assistance payment must be reduced according to the amount of the countable income. When the countable income is greater than the MFIP standard or family wage level, the assistance payment must be suspended for the payment month.