

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2658

(SENATE AUTHORS: LOUREY)

DATE	D-PG	OFFICIAL STATUS
03/13/2014	6215	Introduction and first reading
		Referred to Health, Human Services and Housing
03/19/2014		Comm report: To pass as amended and re-refer to Finance

A bill for an act

1.1 relating to human services; establishing uniform public assistance program
1.2 eligibility and verification; amending Minnesota Statutes 2012, sections 254B.04,
1.3 subdivision 3; 256D.02, subdivisions 8, 12; 256D.05, subdivision 5; 256D.06,
1.4 subdivision 1; 256D.08, subdivision 1, by adding a subdivision; 256D.10;
1.5 256D.405, subdivisions 1, 3; 256D.425, subdivision 2; 256I.03, by adding
1.6 a subdivision; 256I.04, subdivision 1; 256J.08, subdivisions 47, 57, 83, by
1.7 adding a subdivision; 256J.10; 256J.21, subdivision 4; 256J.30, subdivision 4;
1.8 256J.32, subdivision 1; 256J.33, subdivision 2; 256J.37, as amended; 256J.425,
1.9 subdivisions 1, 7; 256J.95, subdivisions 8, 9, 10; Minnesota Statutes 2013
1.10 Supplement, sections 256J.21, subdivision 3; 256J.30, subdivision 9; proposing
1.11 coding for new law as Minnesota Statutes, chapter 256P; repealing Minnesota
1.12 Statutes 2012, sections 256D.06, subdivision 1b; 256D.08, subdivision 2;
1.13 256D.405, subdivisions 1a, 2; 256J.08, subdivisions 42, 55a, 82a; 256J.20;
1.14 256J.24, subdivision 9; 256J.32, subdivisions 2, 3, 4, 5a, 6, 7, 7a, 8; Minnesota
1.15 Statutes 2013 Supplement, section 256J.08, subdivision 24.

1.16
1.17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.18 Section 1. Minnesota Statutes 2012, section 254B.04, subdivision 3, is amended to read:

1.19 Subd. 3. **Amount of contribution.** The commissioner shall adopt a sliding fee scale
1.20 to determine the amount of contribution to be required from persons under this section.
1.21 The commissioner may adopt rules to amend existing fee scales. The commissioner
1.22 may establish a separate fee scale for recipients of chemical dependency transitional and
1.23 extended care rehabilitation services that provides for the collection of fees for board and
1.24 lodging expenses. The fee schedule shall ensure that employed persons are allowed the
1.25 income disregards and savings accounts that are allowed residents of community mental
1.26 illness facilities under section 256D.06, ~~subdivisions~~ subdivision 1 and 1b. The fee scale
1.27 must not provide assistance to persons whose income is more than 115 percent of the
1.28 state median income. Payments of liabilities under this section are medical expenses for
1.29 purposes of determining spenddown under sections 256B.055, 256B.056, 256B.06, and

2.1 256D.01 to 256D.21. The required amount of contribution established by the fee scale in
 2.2 this subdivision is also the cost of care responsibility subject to collection under section
 2.3 254B.06, subdivision 1.

2.4 **EFFECTIVE DATE.** This section is effective October 1, 2015.

2.5 Sec. 2. Minnesota Statutes 2012, section 256D.02, subdivision 8, is amended to read:

2.6 Subd. 8. **Income.** "Income" means any form of income, including remuneration for
 2.7 services performed as an employee and ~~net earnings~~ earned income from rental income
 2.8 and self-employment, ~~reduced by the amount attributable to employment expenses as~~
 2.9 ~~defined by the commissioner. The amount attributable to employment expenses shall~~
 2.10 ~~include amounts paid or withheld for federal and state personal income taxes and federal~~
 2.11 ~~Social Security taxes~~ as described under section 256P.05.

2.12 Income includes any payments received as an annuity, retirement, or disability
 2.13 benefit, including veteran's or workers' compensation; old age, survivors, and disability
 2.14 insurance; railroad retirement benefits; unemployment benefits; and benefits under any
 2.15 federally aided categorical assistance program, supplementary security income, or other
 2.16 assistance program; rents, dividends, interest and royalties; and support and maintenance
 2.17 payments. Such payments may not be considered as available to meet the needs of any
 2.18 person other than the person for whose benefit they are received, unless that person is
 2.19 a family member or a spouse and the income is not excluded under section 256D.01,
 2.20 subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded
 2.21 from the definition of income, except that payments made for room, board, tuition or
 2.22 fees by a parent, on behalf of a child enrolled as a full-time student in a postsecondary
 2.23 institution, and payments made on behalf of an applicant or ~~recipient~~ participant which
 2.24 the applicant or ~~recipient~~ participant could legally demand to receive personally in cash,
 2.25 must be included as income. Benefits of an applicant or ~~recipient~~ participant, such as those
 2.26 administered by the Social Security Administration, that are paid to a representative
 2.27 payee, and are spent on behalf of the applicant or ~~recipient~~ participant, are considered
 2.28 available income of the applicant or ~~recipient~~ participant.

2.29 **EFFECTIVE DATE.** This section is effective February 1, 2015.

2.30 Sec. 3. Minnesota Statutes 2012, section 256D.02, subdivision 12, is amended to read:

2.31 Subd. 12. **County Agency.** "County agency" means the agency designated by the
 2.32 county board of commissioners, ~~human services boards, local social services agencies~~
 2.33 ~~in the several counties of the state or multicounty local social services agencies or~~

3.1 ~~departments where those have been established in accordance with law~~ "Agency" has the
 3.2 meaning given in section 256P.01, subdivision 2.

3.3 Sec. 4. Minnesota Statutes 2012, section 256D.05, subdivision 5, is amended to read:

3.4 Subd. 5. **Transfers of property.** The equity value of real and personal property
 3.5 transferred without reasonable compensation within 12 months preceding the date of
 3.6 application for general assistance must be included in determining the resources of an
 3.7 assistance unit ~~in the same manner as in the Minnesota family investment program under~~
 3.8 ~~chapter 256J~~ as described in section 256P.02, subdivision 1, paragraph (c).

3.9 Sec. 5. Minnesota Statutes 2012, section 256D.06, subdivision 1, is amended to read:

3.10 Subdivision 1. **Eligibility; amount of assistance.** General assistance shall be
 3.11 granted in an amount that when added to the nonexempt income actually available to the
 3.12 assistance unit, the total amount equals the applicable standard of assistance for general
 3.13 assistance. In determining eligibility for and the amount of assistance for an individual or
 3.14 married couple, the county agency shall apply the earned income disregard the first \$50 of
 3.15 earned income per month as determined in section 256P.03.

3.16 **EFFECTIVE DATE.** This section is effective October 1, 2015.

3.17 Sec. 6. Minnesota Statutes 2012, section 256D.08, subdivision 1, is amended to read:

3.18 Subdivision 1. **Eligibility; ~~excluded resources.~~** ~~In determining eligibility of an~~
 3.19 ~~assistance unit, the following resources shall be excluded:~~

3.20 (1) ~~real or personal property or liquid assets which do not exceed \$1,000; and~~

3.21 (2) ~~other property which has been determined, according to limitations contained in~~
 3.22 ~~rules promulgated by the commissioner, to be essential to the assistance unit as a means of~~
 3.23 ~~self-support or self-care or which is producing income that is being used for the support~~
 3.24 ~~of the assistance unit. The commissioner shall further provide by rule the conditions for~~
 3.25 ~~those situations in which property not excluded under this subdivision may be retained by~~
 3.26 ~~the assistance unit where there is a reasonable probability that in the foreseeable future the~~
 3.27 ~~property will be used for the self-support of the assistance unit; and~~

3.28 (3) ~~payments, made according to litigation and subsequent appropriation by the~~
 3.29 ~~United States Congress, of funds to compensate members of Indian tribes for the taking of~~
 3.30 ~~tribal land by the federal government. To establish eligibility for general assistance under~~
 3.31 this chapter, an agency must use the procedures established in section 256P.02.

3.32 **EFFECTIVE DATE.** This section is effective January 1, 2016.

4.1 Sec. 7. Minnesota Statutes 2012, section 256D.08, is amended by adding a subdivision
4.2 to read:

4.3 Subd. 3. **Verification.** To verify eligibility for general assistance under this chapter,
4.4 an agency must use the procedures established in section 256P.04.

4.5 **EFFECTIVE DATE.** This section is effective January 1, 2016.

4.6 Sec. 8. Minnesota Statutes 2012, section 256D.10, is amended to read:

4.7 **256D.10 ADMINISTRATIVE HEARING PRIOR TO ADVERSE ACTION.**

4.8 No grant of general assistance except one made pursuant to section 256D.06,
4.9 subdivision 2; ~~or 256D.08, subdivision 2,~~ shall be reduced, terminated, or suspended
4.10 unless the recipient receives notice and is afforded an opportunity to be heard prior to
4.11 any action by the county agency.

4.12 Nothing herein shall deprive a recipient of the right to full administrative and judicial
4.13 review of an order or determination of a county agency as provided for in section 256.045
4.14 subsequent to any action taken by a county agency after a prior hearing.

4.15 **EFFECTIVE DATE.** This section is effective January 1, 2016.

4.16 Sec. 9. Minnesota Statutes 2012, section 256D.405, subdivision 1, is amended to read:

4.17 Subdivision 1. **Verification of information.** ~~The county agency shall request, and~~
4.18 ~~applicants and recipients shall provide and verify, all information necessary to determine~~
4.19 ~~initial and continuing eligibility and assistance payment amounts. If necessary, the county~~
4.20 ~~agency shall assist the applicant or recipient in obtaining verifications. If the applicant or~~
4.21 ~~recipient refuses or fails without good cause to provide the information or verification, the~~
4.22 ~~county agency shall deny or terminate assistance~~ An agency must apply section 256P.04
4.23 when documenting, verifying, and recertifying eligibility under this chapter. An agency
4.24 must only require verification of information necessary to determine eligibility under this
4.25 chapter and the amount of the assistance payment.

4.26 **EFFECTIVE DATE.** This section is effective February 1, 2015.

4.27 Sec. 10. Minnesota Statutes 2012, section 256D.405, subdivision 3, is amended to read:

4.28 Subd. 3. **Reports.** ~~Recipients~~ Participants must report changes in circumstances that
4.29 affect eligibility or assistance payment amounts within ten days of the change. ~~Recipients~~
4.30 Participants who do not receive SSI because of excess income must complete a monthly
4.31 report form if they have earned income, if they have income deemed to them from a

5.1 financially responsible relative with whom the ~~recipient~~ participant resides, or if they have
5.2 income deemed to them by a sponsor. If the report form is not received before the end of
5.3 the month in which it is due, the county agency must terminate assistance. The termination
5.4 shall be effective on the first day of the month following the month in which the report
5.5 was due. If a complete report is received within the month the assistance was terminated,
5.6 the assistance unit is considered to have continued its application for assistance, effective
5.7 the first day of the month the assistance was terminated.

5.8 **EFFECTIVE DATE.** This section is effective February 1, 2015.

5.9 Sec. 11. Minnesota Statutes 2012, section 256D.425, subdivision 2, is amended to read:

5.10 Subd. 2. **Resource standards.** (a) For persons receiving supplemental security
5.11 income benefits, the resource standards and restrictions for supplemental aid under
5.12 this section shall be those used to determine eligibility for disabled individuals in the
5.13 supplemental security income program.

5.14 (b) For persons not receiving supplemental security income benefits because of excess
5.15 income or resources, but whose income and resources are within the limits of the Minnesota
5.16 supplemental aid program, the resource standards shall be those in section 256P.02.

5.17 Sec. 12. Minnesota Statutes 2012, section 256I.03, is amended by adding a subdivision
5.18 to read:

5.19 Subd. 1a. **Agency.** "Agency" has the meaning given in section 256P.01, subdivision
5.20 2.

5.21 Sec. 13. Minnesota Statutes 2012, section 256I.04, subdivision 1, is amended to read:

5.22 Subdivision 1. **Individual eligibility requirements.** An individual is eligible for
5.23 and entitled to a group residential housing payment to be made on the individual's behalf
5.24 if the ~~county~~ agency has approved the individual's residence in a group residential housing
5.25 setting and the individual meets the requirements in paragraph (a) or (b).

5.26 (a) The individual is aged, blind, or is over 18 years of age and disabled as
5.27 determined under the criteria used by the title II program of the Social Security Act, and
5.28 meets the resource restrictions and standards of ~~the supplemental security income program~~
5.29 section 256P.02, and the individual's countable income after deducting the (1) exclusions
5.30 and disregards of the SSI program, (2) the medical assistance personal needs allowance
5.31 under section 256B.35, and (3) an amount equal to the income actually made available to
5.32 a community spouse by an elderly waiver ~~recipient~~ participant under the provisions of
5.33 sections 256B.0575, paragraph (a), clause (4), and 256B.058, subdivision 2, is less than

6.1 the monthly rate specified in the ~~county~~ agency's agreement with the provider of group
6.2 residential housing in which the individual resides.

6.3 (b) The individual meets a category of eligibility under section 256D.05, subdivision
6.4 1, paragraph (a), and the individual's resources are less than the standards specified by
6.5 section ~~256D.08~~ 256P.02, and the individual's countable income as determined under
6.6 sections 256D.01 to 256D.21, less the medical assistance personal needs allowance under
6.7 section 256B.35 is less than the monthly rate specified in the ~~county~~ agency's agreement
6.8 with the provider of group residential housing in which the individual resides.

6.9 **EFFECTIVE DATE.** This section is effective January 1, 2016.

6.10 Sec. 14. Minnesota Statutes 2012, section 256J.08, is amended by adding a subdivision
6.11 to read:

6.12 Subd. 2a. **Agency.** "Agency" has the meaning given in section 256P.01, subdivision
6.13 2.

6.14 Sec. 15. Minnesota Statutes 2012, section 256J.08, subdivision 47, is amended to read:

6.15 Subd. 47. **Income.** "Income" means cash or in-kind benefit, whether earned or
6.16 unearned, received by or available to an applicant or participant that is not an asset under
6.17 section ~~256J.20~~ 256P.02.

6.18 **EFFECTIVE DATE.** This section is effective January 1, 2016.

6.19 Sec. 16. Minnesota Statutes 2012, section 256J.08, subdivision 57, is amended to read:

6.20 Subd. 57. **Minnesota family investment program or MFIP.** "Minnesota family
6.21 investment program" or "MFIP" means the assistance program authorized in this chapter
6.22 ~~and chapter 256K.~~

6.23 Sec. 17. Minnesota Statutes 2012, section 256J.08, subdivision 83, is amended to read:

6.24 Subd. 83. **Significant change.** "Significant change" means a decline in gross
6.25 income of the amount of the disregard as defined in ~~subdivision 24~~ section 256P.03 or
6.26 more from the income used to determine the grant for the current month.

6.27 **EFFECTIVE DATE.** This section is effective January 1, 2015.

6.28 Sec. 18. Minnesota Statutes 2012, section 256J.10, is amended to read:

6.29 **256J.10 MFIP ELIGIBILITY REQUIREMENTS.**

7.1 To be eligible for MFIP, applicants must meet the general eligibility requirements
 7.2 in sections 256J.11 to 256J.15, the property limitations in section ~~256J.20~~ 256P.02, and
 7.3 the income limitations in section 256J.21.

7.4 **EFFECTIVE DATE.** This section is effective January 1, 2016.

7.5 Sec. 19. Minnesota Statutes 2013 Supplement, section 256J.21, subdivision 3, is
 7.6 amended to read:

7.7 Subd. 3. **Initial income test.** The county agency shall determine initial eligibility
 7.8 by considering all earned and unearned income that is not excluded under subdivision 2.
 7.9 To be eligible for MFIP, the assistance unit's countable income minus the earned income
 7.10 disregards in ~~paragraphs~~ paragraph (a) and (b) section 256P.03 must be below the family
 7.11 wage level according to section 256J.24 for that size assistance unit.

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

7.13 (1) the ~~employment~~ earned income disregard is ~~18 percent of the gross earned~~
 7.14 ~~income whether or not the member is working full time or part time~~ as determined in
 7.15 section 256P.03;

7.16 (2) dependent care costs must be deducted from gross earned income for the actual
 7.17 amount paid for dependent care up to a maximum of \$200 per month for each child less
 7.18 than two years of age, and \$175 per month for each child two years of age and older ~~under~~
 7.19 ~~this chapter and chapter 119B~~;

7.20 (3) all payments made according to a court order for spousal support or the support
 7.21 of children not living in the assistance unit's household shall be disregarded from the
 7.22 income of the person with the legal obligation to pay support, ~~provided that, if there has~~
 7.23 ~~been a change in the financial circumstances of the person with the legal obligation to pay~~
 7.24 ~~support since the support order was entered, the person with the legal obligation to pay~~
 7.25 ~~support has petitioned for a modification of the support order; and~~

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

7.29 (b) ~~Notwithstanding paragraph (a), when determining initial eligibility for applicant~~
 7.30 ~~units when at least one member has received MFIP in this state within four months of~~
 7.31 ~~the most recent application for MFIP, apply the disregard as defined in section 256J.08,~~
 7.32 ~~subdivision 24, for all unit members.~~

7.33 After initial eligibility is established, the assistance payment calculation is based on
 7.34 the monthly income test.

8.1 **EFFECTIVE DATE.** This section is effective October 1, 2015.

8.2 Sec. 20. Minnesota Statutes 2012, section 256J.21, subdivision 4, is amended to read:

8.3 Subd. 4. **Monthly income test and determination of assistance payment.**

8.4 The county agency shall determine ongoing eligibility and the assistance payment
8.5 amount according to the monthly income test. To be eligible for MFIP, the result of the
8.6 computations in paragraphs (a) to (e) must be at least \$1.

8.7 (a) Apply an income disregard as defined in section ~~256J.08, subdivision 24~~ 256P.03,
8.8 to gross earnings and subtract this amount from the family wage level. If the difference is
8.9 equal to or greater than the MFIP transitional standard of need, the assistance payment is
8.10 equal to the MFIP transitional standard of need. If the difference is less than the MFIP
8.11 transitional standard of need, the assistance payment is equal to the difference. The
8.12 ~~employment earned income~~ disregard in this paragraph must be deducted every month
8.13 there is earned income.

8.14 (b) All payments made according to a court order for spousal support or the support
8.15 of children not living in the assistance unit's household must be disregarded from the
8.16 income of the person with the legal obligation to pay support, ~~provided that, if there has~~
8.17 ~~been a change in the financial circumstances of the person with the legal obligation to pay~~
8.18 ~~support since the support order was entered, the person with the legal obligation to pay~~
8.19 ~~support has petitioned for a modification of the court order.~~

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

8.23 (d) Subtract unearned income dollar for dollar from the MFIP transitional standard
8.24 ~~of need~~ to determine the assistance payment amount.

8.25 (e) When income is both earned and unearned, the amount of the assistance payment
8.26 must be determined by first treating gross earned income as specified in paragraph (a).
8.27 After determining the amount of the assistance payment under paragraph (a), unearned
8.28 income must be subtracted from that amount dollar for dollar to determine the assistance
8.29 payment amount.

8.30 (f) When the monthly income is greater than the MFIP transitional standard of need
8.31 after deductions and the income will only exceed the standard for one month, the county
8.32 agency must suspend the assistance payment for the payment month.

8.33 **EFFECTIVE DATE.** This section is effective October 1, 2015.

8.34 Sec. 21. Minnesota Statutes 2012, section 256J.30, subdivision 4, is amended to read:

9.1 Subd. 4. **Participant's completion of recertification of eligibility form.** A
9.2 participant must complete forms prescribed by the commissioner which are required
9.3 for recertification of eligibility according to section ~~256J.32, subdivision 6~~ 256P.04,
9.4 subdivisions 8 and 9.

9.5 **EFFECTIVE DATE.** This section is effective February 1, 2015.

9.6 Sec. 22. Minnesota Statutes 2013 Supplement, section 256J.30, subdivision 9, is
9.7 amended to read:

9.8 Subd. 9. **Changes that must be reported.** A caregiver must report the changes
9.9 or anticipated changes specified in clauses (1) to ~~(16)~~ (15) within ten days of the date
9.10 they occur, at the time of the periodic recertification of eligibility under section ~~256J.32,~~
9.11 ~~subdivision 6~~ 256P.04, subdivisions 8 and 9, or within eight calendar days of a reporting
9.12 period as in subdivision 5, whichever occurs first. A caregiver must report other changes
9.13 at the time of the periodic recertification of eligibility under section ~~256J.32, subdivision~~
9.14 ~~6~~ 256P.04, subdivisions 8 and 9, or at the end of a reporting period under subdivision
9.15 5, as applicable. A caregiver must make these reports in writing to the ~~county~~ agency.
9.16 When a ~~county~~ an agency could have reduced or terminated assistance for one or more
9.17 payment months if a delay in reporting a change specified under clauses (1) to ~~(15)~~ (14)
9.18 had not occurred, the ~~county~~ agency must determine whether a timely notice under section
9.19 256J.31, subdivision 4, could have been issued on the day that the change occurred. When
9.20 a timely notice could have been issued, each month's overpayment subsequent to that
9.21 notice must be considered a client error overpayment under section 256J.38. Calculation
9.22 of overpayments for late reporting under clause ~~(16)~~ (15) is specified in section 256J.09,
9.23 subdivision 9. Changes in circumstances which must be reported within ten days must
9.24 also be reported on the MFIP household report form for the reporting period in which
9.25 those changes occurred. Within ten days, a caregiver must report:

- 9.26 (1) a change in initial employment;
- 9.27 (2) a change in initial receipt of unearned income;
- 9.28 (3) a recurring change in unearned income;
- 9.29 (4) a nonrecurring change of unearned income that exceeds \$30;
- 9.30 (5) the receipt of a lump sum;
- 9.31 (6) an increase in assets that may cause the assistance unit to exceed asset limits;
- 9.32 (7) a change in the physical or mental status of an incapacitated member of the
9.33 assistance unit if the physical or mental status is the basis for reducing the hourly
9.34 participation requirements under section 256J.55, subdivision 1, or the type of activities
9.35 included in an employment plan under section 256J.521, subdivision 2;

- 10.1 (8) a change in employment status;
- 10.2 ~~(9) information affecting an exception under section 256J.24, subdivision 9;~~
- 10.3 ~~(10) (9) the marriage or divorce of an assistance unit member;~~
- 10.4 ~~(11) (10) the death of a parent, minor child, or financially responsible person;~~
- 10.5 ~~(12) (11) a change in address or living quarters of the assistance unit;~~
- 10.6 ~~(13) (12) the sale, purchase, or other transfer of property;~~
- 10.7 ~~(14) (13) a change in school attendance of a caregiver under age 20 or an employed~~
- 10.8 child;
- 10.9 ~~(15) (14) filing a lawsuit, a workers' compensation claim, or a monetary claim~~
- 10.10 against a third party; and
- 10.11 ~~(16) (15) a change in household composition, including births, returns to and~~
- 10.12 departures from the home of assistance unit members and financially responsible persons,
- 10.13 or a change in the custody of a minor child.

10.14 **EFFECTIVE DATE.** This section is effective January 1, 2015.

10.15 Sec. 23. Minnesota Statutes 2012, section 256J.32, subdivision 1, is amended to read:

10.16 Subdivision 1. **Verification of information.** ~~A county~~ An agency must apply section

10.17 256P.04 when documenting, verifying, and recertifying MFIP eligibility. An agency must

10.18 only require verification of information necessary to determine MFIP eligibility and the

10.19 amount of the assistance payment.

10.20 **EFFECTIVE DATE.** This section is effective February 1, 2015.

10.21 Sec. 24. Minnesota Statutes 2012, section 256J.33, subdivision 2, is amended to read:

10.22 Subd. 2. **Prospective eligibility.** ~~A county~~ An agency must determine whether the

10.23 eligibility requirements that pertain to an assistance unit, including those in sections

10.24 256J.11 to 256J.15 and ~~256J.20~~ 256P.02, will be met prospectively for the payment

10.25 month. Except for the provisions in section 256J.34, subdivision 1, the income test will be

10.26 applied retrospectively.

10.27 **EFFECTIVE DATE.** This section is effective January 1, 2016.

10.28 Sec. 25. Minnesota Statutes 2012, section 256J.37, as amended by Laws 2013, chapter

10.29 107, article 4, section 15, is amended to read:

10.30 **256J.37 TREATMENT OF INCOME AND LUMP SUMS.**

11.1 Subdivision 1. **Deemed income from ineligible household assistance unit**
 11.2 **members.** ~~Unless otherwise provided under subdivision 1a or 1b,~~ The income of ineligible
 11.3 household assistance unit members must be deemed after allowing the following disregards:

11.4 (1) ~~the first 18 percent of the ineligible family member's gross~~ an earned income
 11.5 disregard as determined under section 256P.03;

11.6 (2) ~~amounts the ineligible person actually paid to individuals not living in the~~
 11.7 ~~same household but whom the ineligible person claims or could claim as dependents for~~
 11.8 ~~determining federal personal income tax liability;~~

11.9 (3) ~~(2)~~ all payments made by the ineligible person according to a court order for
 11.10 spousal support or the support of children not living in the assistance unit's household;
 11.11 ~~provided that, if there has been a change in the financial circumstances of the ineligible~~
 11.12 ~~person since the support order was entered, the ineligible person has petitioned for a~~
 11.13 ~~modification of the support order; and~~

11.14 (4) ~~(3)~~ an amount for the unmet needs of the ineligible person ~~and other persons~~
 11.15 ~~who live in the household but are not included in the assistance unit and are or could be~~
 11.16 ~~claimed by an ineligible person as dependents for determining federal personal income~~
 11.17 ~~tax liability who, if eligible, would be assistance unit members under section 256J.24,~~
 11.18 subdivision 2 or 4, paragraph (b). This amount is equal to the difference between the
 11.19 MFIP transitional standard of need when the ineligible person ~~is~~ persons are included in
 11.20 the assistance unit and the MFIP transitional standard of need when the ineligible person
 11.21 ~~is~~ persons are not included in the assistance unit.

11.22 Subd. 1a. **Deemed income from disqualified assistance unit members.** The
 11.23 income of disqualified members must be deemed after allowing the following disregards:

11.24 (1) ~~the first 18 percent of the disqualified member's gross~~ an earned income disregard
 11.25 as determined under section 256P.03;

11.26 (2) ~~amounts the disqualified member actually paid to individuals not living in the~~
 11.27 ~~same household but whom the disqualified member claims or could claim as dependents~~
 11.28 ~~for determining federal personal income tax liability;~~

11.29 (3) ~~(2)~~ all payments made by the disqualified member according to a court order for
 11.30 spousal support or the support of children not living in the assistance unit's household;
 11.31 ~~provided that, if there has been a change in the financial circumstances of the disqualified~~
 11.32 ~~member's legal obligation to pay support since the support order was entered, the~~
 11.33 ~~disqualified member has petitioned for a modification of the support order; and~~

11.34 (4) ~~(3)~~ an amount for the unmet needs of other ineligible persons who live in the
 11.35 household ~~but are not included in the assistance unit and are or could be claimed by the~~
 11.36 ~~disqualified member as dependents for determining federal personal income tax liability~~

12.1 who, if eligible, would be assistance unit members under section 256J.24, subdivision 2 or
 12.2 4, paragraph (b). This amount is equal to the difference between the MFIP transitional
 12.3 standard of need when the ineligible person is persons are included in the assistance unit
 12.4 and the MFIP transitional standard of need when the ineligible person is persons are
 12.5 not included in the assistance unit. An amount shall not be allowed for the needs of a
 12.6 disqualified ~~member~~ members.

12.7 Subd. 1b. **Deemed income from parents of minor caregivers.** In households
 12.8 where minor caregivers live with a parent or parents who do not receive MFIP for
 12.9 themselves or their minor children, the income of the parents must be deemed after
 12.10 allowing the following disregards:

12.11 (1) income of the parents equal to 200 percent of the federal poverty guideline for a
 12.12 family size not including the minor parent and the minor parent's child in the household
 12.13 according to section 256J.21, subdivision 2, clause (43); and

12.14 ~~(2) 18 percent of the parents' gross earned income;~~

12.15 ~~(3) amounts the parents actually paid to individuals not living in the same household~~
 12.16 ~~but whom the parents claim or could claim as dependents for determining federal personal~~
 12.17 ~~income tax liability; and~~

12.18 ~~(4) (2) all payments made by parents according to a court order for spousal support~~
 12.19 ~~or the support of children not living in the parent's household, provided that, if there has~~
 12.20 ~~been a change in the financial circumstances of the parent's legal obligation to pay support~~
 12.21 ~~since the support order was entered, the parents have petitioned for a modification of~~
 12.22 ~~the support order.~~

12.23 Subd. 2. **Deemed income and assets of sponsor of noncitizens.** (a) If a noncitizen
 12.24 applies for or receives MFIP, the county agency must deem the income and assets of the
 12.25 noncitizen's sponsor and the sponsor's spouse as provided in this paragraph and paragraph
 12.26 (b) or (c), whichever is applicable. The deemed income of a sponsor and the sponsor's
 12.27 spouse is considered unearned income of the noncitizen. The deemed assets of a sponsor
 12.28 and the sponsor's spouse are considered available assets of the noncitizen.

12.29 (b) The income and assets of a sponsor who signed an affidavit of support under title
 12.30 IV, sections 421, 422, and 423, of Public Law 104-193, the Personal Responsibility and
 12.31 Work Opportunity Reconciliation Act of 1996, and the income and assets of the sponsor's
 12.32 spouse, must be deemed to the noncitizen to the extent required by those sections of
 12.33 Public Law 104-193.

12.34 (c) The income and assets of a sponsor and the sponsor's spouse to whom the
 12.35 provisions of paragraph (b) do not apply must be deemed to the noncitizen to the full

13.1 extent allowed under title V, section 5505, of Public Law 105-33, the Balanced Budget
13.2 Act of 1997.

13.3 Subd. 3. **Earned income of wage, salary, and contractual employees.** The county
13.4 agency must include gross earned income less any disregards in the initial and monthly
13.5 income test. Gross earned income received by persons employed on a contractual basis
13.6 must be prorated over the period covered by the contract even when payments are received
13.7 over a lesser period of time.

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

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

13.16 (1) age 60 or older;

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

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

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

13.28 Subd. 4. **Self-employment.** ~~Self-employed individuals are those who are~~
13.29 ~~responsible for their own work schedule and do not have coverage under an employer's~~
13.30 ~~liability insurance or workers' compensation. Self-employed individuals generally work~~
13.31 ~~for themselves rather than an employer. However, individuals employed in some types of~~
13.32 ~~services may be self-employed even if they have an employer or work out of another's~~
13.33 ~~business location. For example, real estate sales people, individuals who work for~~
13.34 ~~commission sales, manufacturer's representatives, and independent contractors may be~~
13.35 ~~self-employed. Self-employed individuals may or may not have FICA deducted from the~~
13.36 ~~check issued to them by an employer or another party.~~

14.1 ~~Self-employed individuals may own a business singularly or in partnership.~~
 14.2 ~~Individuals operating more than one self-employment business may use the loss from~~
 14.3 ~~one business to offset self-employment income from another business. A loss from a~~
 14.4 ~~self-employment business may not offset income earned under subdivision 3.~~

14.5 Self-employment has the meaning given in section 256P.01, subdivision 7.

14.6 Subd. 5. **Self-employment earnings.** The county agency must determine
 14.7 self-employment income according to the following: section 256P.05, subdivision 2.

14.8 (a) ~~Subtract allowable business expenses from total gross receipts. Allowable~~
 14.9 ~~business expenses include:~~

14.10 (1) ~~interest on mortgages and loans;~~

14.11 (2) ~~employee wages, except for persons who are part of the assistance unit or whose~~
 14.12 ~~income is deemed to the participant;~~

14.13 (3) ~~FICA funds paid on employees' wages, payment of employee workers'~~
 14.14 ~~compensation, and unemployment benefits;~~

14.15 (4) ~~livestock and veterinary or breeding fees;~~

14.16 (5) ~~raw material;~~

14.17 (6) ~~seed and fertilizer;~~

14.18 (7) ~~maintenance and repairs that are not capital expenditures;~~

14.19 (8) ~~tax return preparation fees;~~

14.20 (9) ~~license fees, professional fees, franchise fees, and professional dues;~~

14.21 (10) ~~tools and supplies that are not capital expenditures;~~

14.22 (11) ~~fuel and transportation expenses other than fuel costs covered by the flat rate~~
 14.23 ~~transportation deduction;~~

14.24 (12) ~~advertising costs;~~

14.25 (13) ~~meals eaten when required to be away from the local work site;~~

14.26 (14) ~~property expenses such as rent, insurance, taxes, and utilities;~~

14.27 (15) ~~postage;~~

14.28 (16) ~~purchase cost of inventory at time of sale;~~

14.29 (17) ~~loss from another self-employment business;~~

14.30 (18) ~~attorney fees allowed by the Internal Revenue Service; and~~

14.31 (19) ~~tuition for classes necessary to maintain or improve job skills or required by~~
 14.32 ~~law to maintain job status or salary as allowed by the Internal Revenue Service.~~

14.33 (b) The county agency shall not allow a deduction for the following expenses:

14.34 (1) ~~purchases of capital assets;~~

14.35 (2) ~~payments on the principals of loans for capital assets;~~

14.36 (3) ~~depreciation;~~

- 15.1 ~~(4) amortization;~~
- 15.2 ~~(5) the wholesale costs of items purchased, processed, or manufactured which are~~
- 15.3 ~~unsold inventory;~~
- 15.4 ~~(6) transportation costs that exceed the maximum standard mileage rate allowed for~~
- 15.5 ~~use of a personal car in the Internal Revenue Code;~~
- 15.6 ~~(7) costs, in any amount, for mileage between an applicant's or participant's home~~
- 15.7 ~~and place of employment;~~
- 15.8 ~~(8) salaries and other employment deductions made for members of an assistance~~
- 15.9 ~~unit or persons who live in the household for whom an employer is legally responsible;~~
- 15.10 ~~(9) monthly expenses in excess of \$71 for each roomer;~~
- 15.11 ~~(10) monthly expenses in excess of the Thrifty Food Plan amount for one person for~~
- 15.12 ~~each boarder. For purposes of this clause and clause (11), "Thrifty Food Plan" has the~~
- 15.13 ~~meaning given it in Code of Federal Regulations;~~
- 15.14 ~~(11) monthly expenses in excess of the roomer rate plus the Thrifty Food Plan~~
- 15.15 ~~amount for one person for each roomer-boarder. If there is more than one boarder or~~
- 15.16 ~~roomer-boarder, use the total number of boarders as the unit size to determine the Thrifty~~
- 15.17 ~~Food Plan amount;~~
- 15.18 ~~(12) an amount greater than actual expenses or two percent of the estimated market~~
- 15.19 ~~value on a county tax assessment form, whichever is greater, as a deduction for upkeep~~
- 15.20 ~~and repair against rental income;~~
- 15.21 ~~(13) expenses not allowed by the Internal Revenue Code;~~
- 15.22 ~~(14) expenses in excess of 60 percent of gross receipts for in-home child care unless~~
- 15.23 ~~a higher amount can be documented; and~~
- 15.24 ~~(15) expenses that are reimbursed under the child and adult care food program as~~
- 15.25 ~~authorized under the National School Lunch Act, United States Code, title 42.~~
- 15.26 **Subd. 6. Self-employment budget period.** ~~The self-employment budget period~~
- 15.27 ~~begins in the month of application or in the first month of self-employment. Gross receipts~~
- 15.28 ~~must be budgeted in the month received. Expenses must be budgeted against gross~~
- 15.29 ~~receipts in the month the expenses are paid, except for paragraphs (a) to (c):~~
- 15.30 ~~(a) The purchase cost of inventory items, including materials which are processed~~
- 15.31 ~~or manufactured, must be deducted as an expense at the time payment is received for~~
- 15.32 ~~the sale of the inventory items.~~
- 15.33 ~~(b) A 12-month rolling average based on clauses (1) to (3) must be used to budget~~
- 15.34 ~~monthly income.~~
- 15.35 ~~(1) For a business in operation for at least 12 months, the county agency shall use~~
- 15.36 ~~the average monthly self-employment income from the most current income tax report for~~

16.1 ~~the 12 months before the month of application. The county agency shall determine a new~~
16.2 ~~monthly average by adding in the actual self-employment income and expenses from the~~
16.3 ~~previous month and dropping the first month from the averaging period.~~

16.4 (2) ~~For a business in operation for less than 12 months, the county agency shall~~
16.5 ~~compute the average for the number of months the business has been in operation to~~
16.6 ~~determine a monthly average. When data are available for 12 or more months, average~~
16.7 ~~monthly self-employment income is determined under clause (1).~~

16.8 (3) ~~If the business undergoes a major change, the county agency shall compute a new~~
16.9 ~~rolling average beginning with the first month of the major change. For the purpose of this~~
16.10 ~~clause, major change means a change that affects the nature and scale of the business and~~
16.11 ~~is not merely the result of normal business fluctuations.~~

16.12 (e) ~~For seasonal self-employment, the caregiver may choose whether to use actual~~
16.13 ~~income in the month of receipt and expenses in the month incurred or the rolling average~~
16.14 ~~method of computation. The choice must be made once per year at the time of application~~
16.15 ~~or recertification. For the purpose of this paragraph, seasonal means working six or less~~
16.16 ~~months per year.~~

16.17 The agency must budget self-employment earned income according to section
16.18 256P.05, subdivision 3.

16.19 Subd. 7. **Farm income.** ~~Farm income is the difference between gross receipts~~
16.20 ~~and operating expenses. The county agency must not allow a deduction for expenses~~
16.21 ~~listed in subdivision 5, paragraph (b). Gross receipts include sales, rents, subsidies,~~
16.22 ~~soil conservation payments, production derived from livestock, and income from~~
16.23 ~~home-produced food Farm income shall be treated as self-employment income under~~
16.24 ~~section 256P.05, subdivision 2. The agency must budget farm income as self-employment~~
16.25 ~~earned income according to section 256P.05, subdivision 3.~~

16.26 Subd. 8. **Rental income.** ~~The county agency must treat income from rental property~~
16.27 ~~as earned or unearned income. Income from rental property is unearned income unless the~~
16.28 ~~assistance unit spends an average of ten hours per week on maintenance or management~~
16.29 ~~of the property. When the owner spends more than ten hours per week on maintenance~~
16.30 ~~or repairs, the earnings are considered self-employment earnings. An amount must be~~
16.31 ~~deducted for upkeep and repairs, as specified in subdivision 5, paragraph (b), clause~~
16.32 ~~(12), real estate taxes, insurance, utilities, and interest on principal payments. When the~~
16.33 ~~applicant or participant lives on the rental property, expenses for upkeep, taxes, insurance,~~
16.34 ~~utilities, and interest must be divided by the number of rooms to determine expense per~~
16.35 ~~room and expenses deducted must be deducted only for the number of rooms rented~~
16.36 Rental income is subject to the requirements of section 256P.05.

17.1 Subd. 9. **Unearned income.** (a) The county agency must apply unearned income
17.2 to the MFIP transitional standard of need. When determining the amount of unearned
17.3 income, the county agency must deduct the costs necessary to secure payments of
17.4 unearned income. These costs include legal fees, medical fees, and mandatory deductions
17.5 such as federal and state income taxes.

17.6 (b) The county agency must convert unearned income received on a periodic basis to
17.7 monthly amounts by prorating the income over the number of months represented by the
17.8 frequency of the payments. The county agency must begin counting the monthly amount
17.9 in the month the periodic payment is received and budget it according to the assistance
17.10 unit's budget cycle.

17.11 Subd. 10. **Treatment of lump sums.** (a) The county agency must treat lump-sum
17.12 payments as earned or unearned income. If the lump-sum payment is included in the
17.13 category of income identified in subdivision 9, it must be treated as unearned income. A
17.14 lump sum is counted as income in the month received and budgeted either prospectively or
17.15 retrospectively depending on the budget cycle at the time of receipt. When an individual
17.16 receives a lump-sum payment, that lump sum must be combined with all other earned and
17.17 unearned income received in the same budget month, and it must be applied according to
17.18 paragraphs (a) to (c). A lump sum may not be carried over into subsequent months. Any
17.19 funds that remain in the third month after the month of receipt are counted in the asset limit.

17.20 (b) For a lump sum received by an applicant during the first two months, prospective
17.21 budgeting is used to determine the payment and the lump sum must be combined with
17.22 other earned or unearned income received and budgeted in that prospective month.

17.23 (c) For a lump sum received by a participant after the first two months of MFIP
17.24 eligibility, the lump sum must be combined with other income received in that budget
17.25 month, and the combined amount must be applied retrospectively against the applicable
17.26 payment month.

17.27 (d) When a lump sum, combined with other income under paragraphs (b) and (c), is
17.28 less than the MFIP transitional standard of need for the appropriate payment month, the
17.29 assistance payment must be reduced according to the amount of the countable income.
17.30 When the countable income is greater than the MFIP standard or family wage level, the
17.31 assistance payment must be suspended for the payment month.

17.32 **EFFECTIVE DATE.** The amendments to subdivisions 1, 1a, 1b, and 2 are effective
17.33 October 1, 2015. The amendments to subdivisions 4, 5, 6, 7, and 8 are effective February
17.34 1, 2015. The amendments to subdivisions 9 and 10 are effective January 1, 2015.

17.35 Sec. 26. Minnesota Statutes 2012, section 256J.425, subdivision 1, is amended to read:

18.1 Subdivision 1. **Eligibility.** (a) To be eligible for a hardship extension, a participant
18.2 in an assistance unit subject to the time limit under section 256J.42, subdivision 1, must
18.3 be in compliance in the participant's 60th counted month. For purposes of determining
18.4 eligibility for a hardship extension, a participant is in compliance in any month that the
18.5 participant has not been sanctioned. In order to maintain eligibility for any of the hardship
18.6 extension categories a participant shall develop and comply with either an employment
18.7 plan or a family stabilization services plan, whichever is appropriate.

18.8 (b) If one participant in a two-parent assistance unit is determined to be ineligible for
18.9 a hardship extension, the county shall give the assistance unit the option of disqualifying
18.10 the ineligible participant from MFIP. In that case, the assistance unit shall be treated as a
18.11 one-parent assistance unit ~~and the assistance unit's MFIP grant shall be calculated using~~
18.12 ~~the shared household standard under section 256J.08, subdivision 82a.~~

18.13 (c) Prior to denying an extension, the county must review the sanction status and
18.14 determine whether the sanction is appropriate or if good cause exists under section 256J.57.
18.15 If the sanction was inappropriately applied or the participant is granted a good cause
18.16 exception before the end of month 60, the participant shall be considered for an extension.

18.17 **EFFECTIVE DATE.** This section is effective January 1, 2015.

18.18 Sec. 27. Minnesota Statutes 2012, section 256J.425, subdivision 7, is amended to read:

18.19 Subd. 7. **Status of disqualified participants.** (a) An assistance unit that is
18.20 disqualified under subdivision 6, paragraph (a), may be approved for MFIP if the
18.21 participant complies with MFIP program requirements and demonstrates compliance for
18.22 up to one month. No assistance shall be paid during this period.

18.23 (b) An assistance unit that is disqualified under subdivision 6, paragraph (a), and that
18.24 reapplies under paragraph (a) is subject to sanction under section 256J.46, subdivision
18.25 1, paragraph (c), clause (1), for a first occurrence of noncompliance. A subsequent
18.26 occurrence of noncompliance results in a permanent disqualification.

18.27 (c) If one participant in a two-parent assistance unit receiving assistance under a
18.28 hardship extension under subdivision 3 or 4 is determined to be out of compliance with
18.29 the employment and training services requirements under sections 256J.521 to 256J.57,
18.30 the county shall give the assistance unit the option of disqualifying the noncompliant
18.31 participant from MFIP. In that case, the assistance unit shall be treated as a one-parent
18.32 assistance unit for the purposes of meeting the work requirements under subdivision
18.33 4 ~~and the assistance unit's MFIP grant shall be calculated using the shared household~~
18.34 ~~standard under section 256J.08, subdivision 82a.~~ An applicant who is disqualified
18.35 from receiving assistance under this paragraph may reapply under paragraph (a). If a

19.1 participant is disqualified from MFIP under this subdivision a second time, the participant
19.2 is permanently disqualified from MFIP.

19.3 (d) Prior to a disqualification under this subdivision, a county agency must review
19.4 the participant's case to determine if the employment plan is still appropriate and attempt
19.5 to meet with the participant face-to-face. If a face-to-face meeting is not conducted, the
19.6 county agency must send the participant a notice of adverse action as provided in section
19.7 256J.31. During the face-to-face meeting, the county agency must:

19.8 (1) determine whether the continued noncompliance can be explained and mitigated
19.9 by providing a needed preemployment activity, as defined in section 256J.49, subdivision
19.10 13, clause (9);

19.11 (2) determine whether the participant qualifies for a good cause exception under
19.12 section 256J.57;

19.13 (3) inform the participant of the family violence waiver criteria and make appropriate
19.14 referrals if the waiver is requested;

19.15 (4) inform the participant of the participant's sanction status and explain the
19.16 consequences of continuing noncompliance;

19.17 (5) identify other resources that may be available to the participant to meet the
19.18 needs of the family; and

19.19 (6) inform the participant of the right to appeal under section 256J.40.

19.20 **EFFECTIVE DATE.** This section is effective January 1, 2015.

19.21 Sec. 28. Minnesota Statutes 2012, section 256J.95, subdivision 8, is amended to read:

19.22 Subd. 8. **Verification requirements.** (a) A county agency must only require
19.23 verification of information necessary to determine DWP eligibility and the amount of
19.24 the payment. The applicant or participant must document the information required or
19.25 authorize the county agency to verify the information. The applicant or participant has the
19.26 burden of providing documentary evidence to verify eligibility. The county agency shall
19.27 assist the applicant or participant in obtaining required documents when the applicant
19.28 or participant is unable to do so.

19.29 (b) A county agency must not request information about an applicant or participant
19.30 that is not a matter of public record from a source other than county agencies, the
19.31 Department of Human Services, or the United States Department of Health and Human
19.32 Services without the person's prior written consent. An applicant's signature on an
19.33 application form constitutes consent for contact with the sources specified on the
19.34 application. A county agency may use a single consent form to contact a group of similar

20.1 sources, but the sources to be contacted must be identified by the county agency prior to
 20.2 requesting an applicant's consent.

20.3 (c) Factors to be verified shall follow section ~~256J.32, subdivision~~ 256P.04,
 20.4 subdivisions 4 and 5. Except for personal needs, family maintenance needs must be
 20.5 verified before the expense can be allowed in the calculation of the DWP grant.

20.6 **EFFECTIVE DATE.** This section is effective February 1, 2015.

20.7 Sec. 29. Minnesota Statutes 2012, section 256J.95, subdivision 9, is amended to read:

20.8 Subd. 9. **Property and income limitations.** The asset limits and exclusions in
 20.9 section ~~256J.20~~ 256P.02 apply to applicants and ~~recipients~~ participants of DWP. All
 20.10 payments, unless excluded in section 256J.21, must be counted as income to determine
 20.11 eligibility for the diversionary work program. The ~~county~~ agency shall treat income as
 20.12 outlined in section 256J.37, except for subdivision 3a. The initial income test and the
 20.13 disregards in section 256J.21, subdivision 3, shall be followed for determining eligibility
 20.14 for the diversionary work program.

20.15 **EFFECTIVE DATE.** This section is effective January 1, 2016.

20.16 Sec. 30. Minnesota Statutes 2012, section 256J.95, subdivision 10, is amended to read:

20.17 Subd. 10. **Diversionary work program grant.** (a) The amount of cash benefits that
 20.18 a family unit is eligible for under the diversionary work program is based on the number
 20.19 of persons in the family unit, the family maintenance needs, personal needs allowance,
 20.20 and countable income. The county agency shall evaluate the income of the family unit
 20.21 that is requesting payments under the diversionary work program. Countable income
 20.22 means gross earned and unearned income not excluded or disregarded under MFIP.
 20.23 The same disregards for earned income that are allowed under MFIP are allowed for
 20.24 the diversionary work program.

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

20.29 (c) The maximum monthly benefit amount available under the diversionary work
 20.30 program is the difference between the family unit's needs under paragraph (b) and the
 20.31 family unit's countable income not to exceed the cash portion of the MFIP transitional
 20.32 standard of need as defined in ~~section~~ sections 256J.08, subdivision ~~55a~~ 85, and 256J.24,
 20.33 subdivision 5, for the family unit's size.

21.1 (d) Once the county has determined a grant amount, the DWP grant amount will
21.2 not be decreased if the determination is based on the best information available at the
21.3 time of approval and shall not be decreased because of any additional income to the
21.4 family unit. The grant must be increased if a participant later verifies an increase in family
21.5 maintenance needs or family unit size. The minimum cash benefit amount, if income and
21.6 asset tests are met, is \$10. Benefits of \$10 shall not be vendor paid.

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

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

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

21.18 **EFFECTIVE DATE.** This section is effective January 1, 2015.

21.19 Sec. 31. **[256P.001] APPLICABILITY.**

21.20 General assistance and Minnesota supplemental aid under chapter 256D and
21.21 programs governed by chapter 256I or 256J are subject to the requirements of this chapter,
21.22 unless otherwise specified or exempted.

21.23 Sec. 32. **[256P.01] DEFINITIONS.**

21.24 Subdivision 1. **Scope.** For purposes of this chapter, the terms defined in this section
21.25 have the meanings given them.

21.26 Subd. 2. **Agency.** "Agency" means any county, federally recognized Indian tribe, or
21.27 multicounty social services collaboratives.

21.28 Subd. 3. **Earned income.** "Earned income" means cash or in-kind income earned
21.29 through the receipt of wages, salary, commissions, profit from employment activities, net
21.30 profit from self-employment activities, payments made by an employer for regularly
21.31 accrued vacation or sick leave, and any other profit from activity earned through effort or
21.32 labor. The income must be in return for, or as a result of, legal activity.

22.1 Subd. 4. **Earned income disregard.** "Earned income disregard" means earned
22.2 income that is not counted according to section 256P.03 when determining eligibility and
22.3 calculating the amount of the assistance payment.

22.4 Subd. 5. **Equity value.** "Equity value" means the amount of equity in personal
22.5 property owned by a person and is determined by subtracting any outstanding
22.6 encumbrances from the fair market value of the personal property.

22.7 Subd. 6. **Personal property.** "Personal property" means an item of value that
22.8 is not real property.

22.9 Subd. 7. **Self-employment.** "Self-employment" means employment by an
22.10 individual who:

22.11 (1) incurs costs in producing income and deducts these costs in order to equate the
22.12 individual's income with income from sources where there are no production costs; and

22.13 (2) controls the individual's work by working either independently of an employer or
22.14 freelance, or by running the business; or

22.15 (3) pays self-employment taxes.

22.16 **Sec. 33. [256P.02] PERSONAL PROPERTY LIMITATIONS.**

22.17 Subdivision 1. **Property ownership.** (a) The agency must apply paragraphs (b) to
22.18 (e) to determine the value of personal property. The agency must use the equity value
22.19 of legally available personal property to determine whether an applicant or participant
22.20 is eligible for assistance.

22.21 (b) When personal property is jointly owned by two or more persons, the agency
22.22 shall assume that each person owns an equal share, except that either person owns
22.23 the entire sum of a joint personal checking or savings account. When an applicant or
22.24 participant documents greater or lesser ownership, the agency must use that greater or
22.25 lesser share to determine the equity value held by the applicant or participant. Other types
22.26 of ownership must be evaluated according to law.

22.27 (c) Personal property owned by the applicant or participant must be presumed legally
22.28 available to the applicant or participant unless the applicant or participant documents
22.29 that the property is not legally available to the applicant or participant. When personal
22.30 property is not legally available, its equity value must not be applied against the limits of
22.31 subdivision 2.

22.32 (d) An applicant must disclose whether the applicant has transferred personal
22.33 property valued in excess of the property limits in subdivision 2 for which reasonable
22.34 compensation was not received within one year prior to application. A participant must
22.35 disclose all transfers of property valued in excess of these limits, according to the reporting

23.1 requirements in section 256J.30, subdivision 9. When a transfer of personal property
23.2 without reasonable compensation has occurred:

23.3 (1) the person who transferred the property must provide the property's description,
23.4 information needed to determine the property's equity value, the names of the persons who
23.5 received the property, and the circumstances of and reasons for the transfer; and

23.6 (2) when the transferred property can be reasonably reacquired, or when reasonable
23.7 compensation can be secured, the property is presumed legally available to the applicant
23.8 or participant.

23.9 (e) A participant may build the equity value of personal property to the limits in
23.10 subdivision 2.

23.11 Subd. 2. **Personal property limitations.** (a) The equity value of an assistance unit's
23.12 personal property listed in clauses (1) to (4) must not exceed \$10,000 for applicants and
23.13 participants. For purposes of this subdivision, personal property is limited to:

23.14 (1) cash;

23.15 (2) bank accounts;

23.16 (3) liquid stocks and bonds that can be readily accessed without a financial penalty;

23.17 and

23.18 (4) vehicles not excluded under subdivision 3.

23.19 Subd. 3. **Vehicle exception.** One vehicle per assistance unit member age 16 or older
23.20 shall be excluded when determining the equity value of personal property. If the assistance
23.21 unit owns more than one vehicle per assistance unit member age 16 or older, the agency
23.22 shall determine the trade-in values of all additional vehicles and apply the values to the
23.23 personal property limitations in subdivision 2. To establish the trade-in values of vehicles,
23.24 an agency must use the National Automobile Dealers Association online car values and
23.25 car prices guide. When a vehicle is not listed in the online guide, or when the applicant or
23.26 participant disputes the trade-in value listed in the online guide as unreasonable given the
23.27 condition of the particular vehicle, the agency may require the applicant or participant to
23.28 document the trade-in value by securing a written statement from a motor vehicle dealer
23.29 licensed under section 168.27, stating the amount that the dealer would pay to purchase
23.30 the vehicle. The agency shall reimburse the applicant or participant for the cost of a
23.31 written statement that documents a lower loan value.

23.32 **EFFECTIVE DATE.** This section is effective January 1, 2016.

23.33 Sec. 34. **[256P.03] EARNED INCOME DISREGARD.**

24.1 Subdivision 1. **Exempted programs.** Participants who qualify for Minnesota
24.2 supplemental aid under chapter 256D and for group residential housing under chapter 256I
24.3 on the basis of eligibility for Supplemental Security Income are exempt from this section.

24.4 Subd. 2. **Earned income disregard.** The agency shall disregard the first \$65 of
24.5 earned income plus one-half of the remaining earned income per month.

24.6 **EFFECTIVE DATE.** This section is effective October 1, 2015.

24.7 Sec. 35. **[256P.04] DOCUMENTING, VERIFYING, AND RECERTIFYING**
24.8 **ELIGIBILITY.**

24.9 Subdivision 1. **Exemption.** Participants who receive Minnesota supplemental aid
24.10 and who maintain Supplemental Security Income eligibility under chapters 256D and
24.11 256I are exempt from the reporting requirements of this section, except that the policies
24.12 and procedures for transfers of assets are those used by the medical assistance program
24.13 under section 256B.0595.

24.14 Subd. 2. **Verification of information.** An agency must only require verification of
24.15 information necessary to determine eligibility and the amount of the assistance payment.
24.16 If necessary, the agency shall assist the applicant or participant in obtaining verifications
24.17 and required documents when the applicant or participant is unable to do so.

24.18 Subd. 3. **Documentation.** The applicant or participant must document the
24.19 information required under subdivisions 4 to 7 or authorize the agency to verify the
24.20 information. The applicant or participant has the burden of providing documentary
24.21 evidence to verify eligibility. The agency must accept a signed personal statement from
24.22 the applicant or participant when determining personal property values under section
24.23 256P.02. The signed personal statement must include general penalty warnings and a
24.24 disclaimer that any false or misrepresented information is subject to prosecution for fraud
24.25 under sections 609.52 and 609.821 and perjury under section 609.48.

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

24.28 (1) identity of adults;

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

24.30 (3) immigration status;

24.31 (4) income;

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

24.34 (6) vehicles;

24.35 (7) checking and savings accounts;

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

25.2 (9) residence; and

25.3 (10) Social Security number.

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

25.11 Subd. 5. **MFIP-only verifications.** In addition to subdivision 4, the agency shall
25.12 verify the following for programs under chapter 256J:

25.13 (1) the presence of the minor child in the home, if questionable;

25.14 (2) the relationship of a minor child to caregivers in the assistance unit;

25.15 (3) pregnancy, if related to eligibility;

25.16 (4) school attendance, if related to eligibility;

25.17 (5) a claim of family violence, if used as a basis to qualify for the family violence
25.18 waiver under chapter 256J; and

25.19 (6) disability, if used as the basis for reducing the hourly participation requirements
25.20 under section 256J.55, subdivision 1, or for the type of activity included in an employment
25.21 plan under section 256J.521, subdivision 2.

25.22 Subd. 6. **Personal property inconsistent information.** If there is inconsistent
25.23 information known to the agency when reporting personal property under section 256P.02,
25.24 an agency must require the applicant or participant to document the information required
25.25 under section 256P.02 or authorize the county agency to verify the information. The
25.26 applicant or participant has the burden of providing documentary evidence to verify
25.27 eligibility. The agency shall assist the applicant or participant in obtaining required
25.28 documents when the applicant or participant is unable to do so.

25.29 Subd. 7. **Documenting and verifying inconsistent information.** When the
25.30 agency verifies inconsistent information under subdivision 4, paragraph (a), clause (8);
25.31 subdivision 6; or subdivision 8, clause (3), the reason for verifying the information must
25.32 be documented in the financial case record.

25.33 Subd. 8. **Recertification.** The agency shall recertify eligibility in an annual
25.34 interview with the participant. The interview may be conducted by telephone, by Internet
25.35 telepresence, or face-to-face in the county office or in another location mutually agreed
25.36 upon. A participant must be given the option of a telephone interview or Internet

26.1 telepresence to recertify eligibility. During the interview, the agency shall verify the
26.2 following:

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

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

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

26.6 Subd. 9. **MFIP-only recertification.** In addition to subdivision 8, the agency shall
26.7 verify the following for programs under chapter 256J:

26.8 (1) the presence of the minor child in the home, if questionable; and

26.9 (2) whether a single-caregiver household meets the requirements in section
26.10 256J.575, subdivision 3.

26.11 Subd. 10. **Participant's completion of form for recertification of eligibility.** A
26.12 participant must complete forms prescribed by the commissioner which are required
26.13 for recertification of eligibility according to subdivisions 8 and 9. An agency must end
26.14 benefits when the participant fails to submit the recertification form and verifications
26.15 before the end of the certification period. If the participant submits the recertification
26.16 form within 30 days of the termination of benefits, benefits must be reinstated and made
26.17 available retroactively for the full benefit month.

26.18 Subd. 11. **Participant's completion of household report form.** (a) When a
26.19 participant is required to complete a household report form, the following paragraphs apply.

26.20 (b) If the agency receives an incomplete household report form, the agency must
26.21 immediately return the incomplete form and clearly state what the participant must do for
26.22 the form to be complete.

26.23 (c) The automated eligibility system must send a notice of proposed termination of
26.24 assistance to the participant if a complete household report form is not received by the
26.25 agency. The automated notice must be mailed to the participant by approximately the 16th
26.26 of the month. When a participant submits an incomplete form on or after the date a notice
26.27 of proposed termination has been sent, the termination is valid unless the participant
26.28 submits a complete form before the end of the month.

26.29 (d) The submission of a household report form is considered to have continued the
26.30 participant's application for assistance if a complete household report form is received
26.31 within a calendar month after the month in which the form was due. Assistance shall be
26.32 paid for the period beginning with the first day of that calendar month.

26.33 (e) An agency must allow good cause exemptions for a participant required to
26.34 complete a household report form when any of the following factors cause a participant to
26.35 fail to submit a completed household report form before the end of the month in which
26.36 the form is due:

- 27.1 (1) an employer delays completion of employment verification;
27.2 (2) the agency does not help a participant complete the household report form when
27.3 the participant asks for help;
27.4 (3) a participant does not receive a household report form due to a mistake on the
27.5 part of the department or the agency or a reported change in address;
27.6 (4) a participant is ill or physically or mentally incapacitated; or
27.7 (5) some other circumstance occurs that a participant could not avoid with reasonable
27.8 care which prevents the participant from providing a completed household report form
27.9 before the end of the month in which the form is due.

27.10 Subd. 12. **Contacting third parties.** An agency must not request information
27.11 about an applicant or participant that is not of public record from a source other than
27.12 agencies, the department, or the United States Department of Health and Human Services
27.13 without the applicant's or participant's prior written consent. An applicant's signature
27.14 on an application form constitutes consent for contact with the sources specified on the
27.15 application. An agency may use a single consent form to contact a group of similar
27.16 sources, such as banks or insurance agencies, but the sources to be contacted must be
27.17 identified by the agency prior to requesting an applicant's consent.

27.18 Subd. 13. **Notice to undocumented persons; release of private data.** Agencies,
27.19 in consultation with the commissioner of human services, shall provide notification
27.20 to undocumented persons regarding the release of personal data to the United States
27.21 Citizenship and Immigration Services and develop protocols regarding the release or
27.22 sharing of data about undocumented persons with the United States Citizenship and
27.23 Immigration Services as required under sections 404, 411A, and 434 of the Personal
27.24 Responsibility and Work Opportunity Reconciliation Act of 1996.

27.25 Subd. 14. **Requirement to report to United States Citizenship and Immigration**
27.26 **Services.** The commissioner shall comply with the reporting requirements under United
27.27 States Code, title 42, section 611a, and any federal regulation or guidance adopted under
27.28 that law.

27.29 Subd. 15. **Personal statement.** The agency may accept a signed personal statement
27.30 from the applicant or participant explaining the reasons that the documentation requested
27.31 in subdivision 3 is unavailable as sufficient documentation at the time of application,
27.32 recertification, or change related to eligibility only for the following factors:

- 27.33 (1) a claim of family violence, if used as a basis to qualify for the family violence
27.34 waiver;
27.35 (2) relationship of a minor child to caregivers in the assistance unit;

28.1 (3) citizenship status from a noncitizen who reports to be, or is identified as, a victim
 28.2 of severe forms of trafficking in persons, if the noncitizen reports that the noncitizen's
 28.3 immigration documents are being held by an individual or group of individuals against the
 28.4 noncitizen's will. The noncitizen must follow up with the Office of Refugee Resettlement
 28.5 (ORR) to pursue certification. If verification that certification is being pursued is
 28.6 not received within 30 days, the case must be closed and the agency shall pursue
 28.7 overpayments. The ORR documents certifying the noncitizen's status as a victim of severe
 28.8 forms of trafficking in persons, or the reason for the delay in processing, must be received
 28.9 within 90 days, or the case must be closed and the agency shall pursue overpayments; and

28.10 (4) other documentation unavailable for reasons beyond the control of the applicant
 28.11 or participant. The applicant or participant must have made reasonable attempts to obtain
 28.12 the documents requested under subdivision 3.

28.13 Subd. 16. **Excluded resources.** Payments of funds made according to litigation and
 28.14 subsequent appropriation by the United States Congress to compensate members of Indian
 28.15 tribes for the taking of tribal lands by the federal government are excluded.

28.16 **EFFECTIVE DATE.** This section is effective February 1, 2015.

28.17 Sec. 36. **[256P.05] SELF-EMPLOYMENT EARNINGS.**

28.18 Subdivision 1. **Exempted programs.** Participants who qualify for Minnesota
 28.19 supplemental aid under chapter 256D and for group residential housing under chapter 256I
 28.20 on the basis of eligibility for Supplemental Security Income are exempt from this section.

28.21 Subd. 2. **Self-employment income determinations.** An agency must determine
 28.22 self-employment income using one of the following methods:

28.23 (1) one-half of gross earnings from self-employment; or

28.24 (2) taxable income as determined from an Internal Revenue Service tax form that
 28.25 has been filed with the Internal Revenue Service within the last year. A 12-month average
 28.26 using net taxable income shall be used to budget monthly income.

28.27 Subd. 3. **Self-employment budgeting.** (a) The self-employment budget period
 28.28 begins in the month of application or in the first month of self-employment. Applicants
 28.29 and participants must choose one of the methods described in subdivision 2 for
 28.30 determining self-employment earned income.

28.31 (b) Applicants and participants who elect to use taxable income as described in
 28.32 subdivision 2, clause (2), to determine self-employment income must continue to use this
 28.33 method until recertification, unless there is an unforeseen significant change in gross
 28.34 income equaling a decline in gross income of the amount equal to or greater than the

29.1 earned income disregard as defined in section 256P.03 from the income used to determine
29.2 the benefit for the current month.

29.3 (c) For applicants and participants who elect to use one-half of gross earnings as
29.4 described in subdivision 2, clause (1), to determine self-employment income, earnings
29.5 must be counted as income in the month received.

29.6 **EFFECTIVE DATE.** This section is effective February 1, 2015.

29.7 Sec. 37. **RECOMMENDATIONS; DRAFT LEGISLATION;**
29.8 **IMPLEMENTATION PLAN.**

29.9 In order to provide further uniformity and simplification of assistance programs
29.10 under Minnesota Statutes, chapters 256D, 256I, and 256J, the commissioner of human
29.11 services, in consultation with counties, tribes, and program participants, may prepare
29.12 legislation to plan for the implementation of prospective budgeting, three-month
29.13 reporting, uniform reporting, and budgeting standards. The commissioner may provide
29.14 recommendations and a plan for implementation to the legislative committees with
29.15 jurisdiction over health and human services policy and finance.

29.16 Sec. 38. **REPEALER.**

29.17 (a) Minnesota Statutes 2012, sections 256J.08, subdivisions 55a and 82a; and
29.18 256J.24, subdivision 9, are repealed effective January 1, 2015.

29.19 (b) Minnesota Statutes 2012, sections 256D.405, subdivisions 1a and 2; 256J.08,
29.20 subdivision 42; and 256J.32, subdivisions 2, 3, 4, 5a, 6, 7, 7a, and 8, are repealed effective
29.21 February 1, 2015.

29.22 (c) Minnesota Statutes 2012, section 256D.06, subdivision 1b, is repealed effective
29.23 October 1, 2015.

29.24 (d) Minnesota Statutes 2013 Supplement, section 256J.08, subdivision 24, is
29.25 repealed effective October 1, 2015.

29.26 (e) Minnesota Statutes 2012, sections 256D.08, subdivision 2; and 256J.20, are
29.27 repealed effective January 1, 2016.

256D.06 AMOUNT OF ASSISTANCE.

Subd. 1b. **Earned income savings account.** In addition to the \$50 disregard required under subdivision 1, the county agency shall disregard an additional earned income up to a maximum of \$500 per month for: (1) persons residing in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690 and 9530.2500 to 9530.4000, and for whom discharge and work are part of a treatment plan; (2) persons living in supervised apartments with services funded under Minnesota Rules, parts 9535.0100 to 9535.1600, and for whom discharge and work are part of a treatment plan; and (3) persons residing in group residential housing, as that term is defined in section 256I.03, subdivision 3, for whom the county agency has approved a discharge plan which includes work. The additional amount disregarded must be placed in a separate savings account by the eligible individual, to be used upon discharge from the residential facility into the community. For individuals residing in a chemical dependency program licensed under Minnesota Rules, part 9530.4100, subpart 22, item D, withdrawals from the savings account require the signature of the individual and for those individuals with an authorized representative payee, the signature of the payee. A maximum of \$2,000, including interest, of the money in the savings account must be excluded from the resource limits established by section 256D.08, subdivision 1, clause (1). Amounts in that account in excess of \$2,000 must be applied to the resident's cost of care. If excluded money is removed from the savings account by the eligible individual at any time before the individual is discharged from the facility into the community, the money is income to the individual in the month of receipt and a resource in subsequent months. If an eligible individual moves from a community facility to an inpatient hospital setting, the separate savings account is an excluded asset for up to 18 months. During that time, amounts that accumulate in excess of the \$2,000 savings limit must be applied to the patient's cost of care. If the patient continues to be hospitalized at the conclusion of the 18-month period, the entire account must be applied to the patient's cost of care.

256D.08 EXCLUSION FROM RESOURCES.

Subd. 2. **Rulemaking; exclusion of property.** Notwithstanding any other provision of sections 256D.01 to 256D.21, the commissioner shall provide by rule for the exclusion of property from the determination of eligibility for general assistance when it appears likely that the need for general assistance will not exceed 30 days or an undue hardship would be imposed on an assistance unit by the forced disposal of the property.

256D.405 VERIFICATION AND REPORTING REQUIREMENTS.

Subd. 1a. **Exemption.** Recipients who maintain supplemental security income eligibility are exempt from the reporting requirements of subdivision 1, except that the policies and procedures of transfers of assets are those used by the medical assistance program under section 256B.0595.

Subd. 2. **Redetermination of eligibility.** The eligibility of each recipient must be redetermined at least once every 12 months.

256J.08 DEFINITIONS.

Subd. 24. **Disregard.** "Disregard" means earned income that is not counted in the initial income test in section 256J.21, subdivision 3, or income that is not counted when determining ongoing eligibility and calculating the amount of the assistance payment for participants. The disregard for ongoing eligibility shall be 50 percent of gross earned income.

Subd. 42. **Gross receipts.** "Gross receipts" means the money received by a business before the expenses of the business are deducted.

Subd. 55a. **MFIP standard of need.** "MFIP standard of need" means the appropriate standard used to determine MFIP benefit payments for the MFIP unit and applies to:

(1) the transitional standard, sections 256J.08, subdivision 85, and 256J.24, subdivision 5; and

(2) the shared household standard, section 256J.24, subdivision 9.

Subd. 82a. **Shared household standard.** "Shared household standard" means the basic standard used when the household includes an unrelated member. The standard also applies to a member disqualified under section 256J.425. The cash portion of the shared household standard is

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equal to 90 percent of the cash portion of the transitional standard. The cash portion of the shared household standard plus the food portion equals the full shared household standard.

256J.20 PROPERTY LIMITATIONS.

Subdivision 1. **Property ownership provisions.** The county agency must apply paragraphs (a) to (d) to real and personal property. The county agency must use the equity value of legally available real and personal property, except property excluded in subdivisions 2 and 3, to determine whether an applicant or participant is eligible for assistance.

(a) When real or personal property is jointly owned by two or more persons, the county agency shall assume that each person owns an equal share, except that either person owns the entire sum of a joint personal checking or savings account. When an applicant or participant documents greater or lesser ownership, the county agency must use that greater or lesser share to determine the equity value held by the applicant or participant. Other types of ownership must be evaluated according to law.

(b) Real or personal property owned by the applicant or participant must be presumed legally available to the applicant or participant unless the applicant or participant documents that the property is not legally available to the applicant or participant. When real or personal property is not legally available, its equity value must not be applied against the limits of subdivisions 2 and 3.

(c) An applicant must disclose whether the applicant has transferred real or personal property valued in excess of the property limits in subdivisions 2 and 3 for which reasonable compensation was not received within one year prior to application. A participant must disclose all transfers of property valued in excess of these limits, according to the reporting requirements in section 256J.30, subdivision 9. When a transfer of real or personal property without reasonable compensation has occurred:

(1) the person who transferred the property must provide the property's description, information needed to determine the property's equity value, the names of the persons who received the property, and the circumstances of and reasons for the transfer; and

(2) when the transferred property can be reasonably reacquired, or when reasonable compensation can be secured, the property is presumed legally available to the applicant or participant.

(d) A participant may build the equity value of real and personal property to the limits in subdivisions 2 and 3.

Subd. 2. **Real property limitations.** Ownership of real property by an applicant or participant is subject to the limitations in paragraphs (a) and (b).

(a) A county agency shall exclude the homestead of an applicant or participant according to clauses (1) to (5):

(1) an applicant or participant who is purchasing real property through a contract for deed and using that property as a home is considered the owner of real property;

(2) the total amount of land that can be excluded under this subdivision is limited to surrounding property which is not separated from the home by intervening property owned by others. Additional property must be assessed as to its legal and actual availability according to subdivision 1;

(3) when real property that has been used as a home by a participant is sold, the county agency must treat the cash proceeds from the sale as excluded property for six months when the participant intends to reinvest the proceeds in another home and maintains those proceeds, unused for other purposes, in a separate account;

(4) when the homestead is jointly owned, but the client does not reside in it because of legal separation, pending divorce, or battering or abuse by the spouse or partner, the homestead is excluded; and

(5) the homestead shall continue to be excluded if it is temporarily unoccupied due to employment, illness, or as the result of compliance with a county-approved employability plan. The education, training, or job search must be within the state, but can be outside the immediate geographic area. A homestead temporarily unoccupied because it is not habitable due to a casualty or natural disaster is excluded. The homestead is excluded during periods only if the client intends to return to it.

(b) The equity value of real property that is not excluded under paragraph (a) and which is legally available must be applied against the limits in subdivision 3. When the equity value of the real property exceeds the limits under subdivision 3, the applicant or participant may qualify to receive assistance when the applicant or participant continues to make a good faith effort to sell the property and signs a legally binding agreement to repay the amount of assistance, less child

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support collected by the agency. Repayment must be made within five working days after the property is sold. Repayment to the county agency must be in the amount of assistance received or the proceeds of the sale, whichever is less.

Subd. 3. **Other property limitations.** To be eligible for MFIP, the equity value of all nonexcluded real and personal property of the assistance unit must not exceed \$2,000 for applicants and \$5,000 for ongoing participants. The value of assets in clauses (1) to (19) must be excluded when determining the equity value of real and personal property:

(1) a licensed vehicle up to a loan value of less than or equal to \$10,000. If the assistance unit owns more than one licensed vehicle, the county agency shall determine the loan value of all additional vehicles and exclude the combined loan value of less than or equal to \$7,500. The county agency shall apply any excess loan value as if it were equity value to the asset limit described in this section, excluding: (i) the value of one vehicle per physically disabled person when the vehicle is needed to transport the disabled unit member; this exclusion does not apply to mentally disabled people; (ii) the value of special equipment for a disabled member of the assistance unit; and (iii) any vehicle used for long-distance travel, other than daily commuting, for the employment of a unit member.

To establish the loan value of vehicles, a county agency must use the N.A.D.A. Official Used Car Guide, Midwest Edition, for newer model cars. When a vehicle is not listed in the guidebook, or when the applicant or participant disputes the loan value listed in the guidebook as unreasonable given the condition of the particular vehicle, the county agency may require the applicant or participant document the loan value by securing a written statement from a motor vehicle dealer licensed under section 168.27, stating the amount that the dealer would pay to purchase the vehicle. The county agency shall reimburse the applicant or participant for the cost of a written statement that documents a lower loan value;

(2) the value of life insurance policies for members of the assistance unit;

(3) one burial plot per member of an assistance unit;

(4) the value of personal property needed to produce earned income, including tools, implements, farm animals, inventory, business loans, business checking and savings accounts used at least annually and used exclusively for the operation of a self-employment business, and any motor vehicles if at least 50 percent of the vehicle's use is to produce income and if the vehicles are essential for the self-employment business;

(5) the value of personal property not otherwise specified which is commonly used by household members in day-to-day living such as clothing, necessary household furniture, equipment, and other basic maintenance items essential for daily living;

(6) the value of real and personal property owned by a recipient of Supplemental Security Income or Minnesota supplemental aid;

(7) the value of corrective payments, but only for the month in which the payment is received and for the following month;

(8) a mobile home or other vehicle used by an applicant or participant as the applicant's or participant's home;

(9) money in a separate escrow account that is needed to pay real estate taxes or insurance and that is used for this purpose;

(10) money held in escrow to cover employee FICA, employee tax withholding, sales tax withholding, employee worker compensation, business insurance, property rental, property taxes, and other costs that are paid at least annually, but less often than monthly;

(11) monthly assistance payments for the current month's or short-term emergency needs under section 256J.626, subdivision 2;

(12) the value of school loans, grants, or scholarships for the period they are intended to cover;

(13) payments listed in section 256J.21, subdivision 2, clause (9), which are held in escrow for a period not to exceed three months to replace or repair personal or real property;

(14) income received in a budget month through the end of the payment month;

(15) savings from earned income of a minor child or a minor parent that are set aside in a separate account designated specifically for future education or employment costs;

(16) the federal earned income credit, Minnesota working family credit, state and federal income tax refunds, state homeowners and renters credits under chapter 290A, property tax rebates and other federal or state tax rebates in the month received and the following month;

(17) payments excluded under federal law as long as those payments are held in a separate account from any nonexcluded funds;

(18) the assets of children ineligible to receive MFIP benefits because foster care or adoption assistance payments are made on their behalf; and

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(19) the assets of persons whose income is excluded under section 256J.21, subdivision 2, clause (43).

256J.24 FAMILY COMPOSITION; ASSISTANCE STANDARDS; EXIT LEVEL.

Subd. 9. **Shared household standard; MFIP.** (a) Except as prohibited in paragraph (b), the county agency must use the shared household standard when the household includes one or more unrelated members, as that term is defined in section 256J.08, subdivision 86a. The county agency must use the shared household standard, unless a member of the assistance unit is a victim of family violence and has an alternative employment plan, regardless of the number of unrelated members in the household.

(b) The county agency must not use the shared household standard when all unrelated members are one of the following:

(1) a recipient of public assistance benefits, including food stamps or food support, Supplemental Security Income, adoption assistance, relative custody assistance, or foster care payments;

(2) a roomer or boarder, or a person to whom the assistance unit is paying room or board;

(3) a minor child under the age of 18;

(4) a minor caregiver living with the minor caregiver's parents or in an approved supervised living arrangement;

(5) a caregiver who is not the parent of the minor child in the assistance unit; or

(6) an individual who provides child care to a child in the MFIP assistance unit.

(c) The shared household standard must be discontinued if it is not approved by the United States Department of Agriculture under the MFIP waiver.

256J.32 DOCUMENTING, VERIFYING, AND RECERTIFYING ELIGIBILITY.

Subd. 2. **Documentation.** The applicant or participant must document the information required under subdivisions 4 to 6 or authorize the county agency to verify the information. The applicant or participant has the burden of providing documentary evidence to verify eligibility. The county agency shall assist the applicant or participant in obtaining required documents when the applicant or participant is unable to do so. The county agency may accept a signed personal statement from the applicant or participant only for factors specified under subdivision 8.

Subd. 3. **Contacting third parties.** A county agency must not request information about an applicant or participant that is not of public record from a source other than county agencies, the department, or the United States Department of Health and Human Services without the person's prior written consent. An applicant's signature on an application form constitutes consent for contact with the sources specified on the application. A county agency may use a single consent form to contact a group of similar sources, such as banks or insurance agencies, but the sources to be contacted must be identified by the county agency prior to requesting an applicant's consent.

Subd. 4. **Factors to be verified.** The county agency shall verify the following at application:

(1) identity of adults;

(2) presence of the minor child in the home, if questionable;

(3) relationship of a minor child to caregivers in the assistance unit;

(4) age, if necessary to determine MFIP eligibility;

(5) immigration status;

(6) Social Security number according to the requirements of section 256J.30, subdivision

12;

(7) income;

(8) self-employment expenses used as a deduction;

(9) source and purpose of deposits and withdrawals from business accounts;

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

(11) real property;

(12) vehicles;

(13) checking and savings accounts;

(14) savings certificates, savings bonds, stocks, and individual retirement accounts;

(15) pregnancy, if related to eligibility;

(16) inconsistent information, if related to eligibility;

(17) burial accounts;

(18) school attendance, if related to eligibility;

(19) residence;

(20) a claim of family violence if used as a basis to qualify for the family violence waiver;

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(21) disability if used as the basis for reducing the hourly participation requirements under section 256J.55, subdivision 1, or the type of activity included in an employment plan under section 256J.521, subdivision 2; and

(22) information needed to establish an exception under section 256J.24, subdivision 9.

Subd. 5a. **Inconsistent information.** When the county agency verifies inconsistent information under subdivision 4, clause (16), or 6, clause (5), the reason for verifying the information must be documented in the financial case record.

Subd. 6. **Recertification.** (a) The county agency shall recertify eligibility in an annual face-to-face interview with the participant. The county agency may waive the face-to-face interview and conduct a phone interview for participants who qualify under paragraph (b). During the interview, the county agency shall verify the following:

- (1) presence of the minor child in the home, if questionable;
- (2) income, unless excluded, including self-employment expenses used as a deduction or deposits or withdrawals from business accounts;
- (3) assets when the value is within \$200 of the asset limit;
- (4) information to establish an exception under section 256J.24, subdivision 9, if questionable;
- (5) inconsistent information, if related to eligibility; and
- (6) whether a single caregiver household meets requirements in section 256J.575, subdivision 3.

(b) A participant who is employed any number of hours must be given the option of conducting a face-to-face or phone interview to recertify eligibility. The participant must be employed at the time the interview is scheduled. If the participant loses the participant's job between the time the interview is scheduled and when it is to be conducted, the phone interview may still be conducted.

Subd. 7. **Notice to undocumented persons; release of private data.** County agencies in consultation with the commissioner of human services shall provide notification to undocumented persons regarding the release of personal data to the United States Citizenship and Immigration Services and develop protocol regarding the release or sharing of data about undocumented persons with the United States Citizenship and Immigration Services as required under sections 404, 434, and 411A of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Subd. 7a. **Requirement to report to United States Citizenship and Immigration Services.** The commissioner shall comply with the reporting requirements under United States Code, title 42, section 611a, and any federal regulation or guidance adopted under that law.

Subd. 8. **Personal statement.** The county agency may accept a signed personal statement from the applicant or participant explaining the reasons that the documentation requested in subdivision 2 is unavailable as sufficient documentation at the time of application, recertification, or change related to eligibility only for the following factors:

- (1) a claim of family violence if used as a basis to qualify for the family violence waiver;
- (2) information needed to establish an exception under section 256J.24, subdivision 9;
- (3) relationship of a minor child to caregivers in the assistance unit;
- (4) citizenship status from a noncitizen who reports to be, or is identified as, a victim of severe forms of trafficking in persons, if the noncitizen reports that the noncitizen's immigration documents are being held by an individual or group of individuals against the noncitizen's will. The noncitizen must follow up with the Office of Refugee Resettlement (ORR) to pursue certification. If verification that certification is being pursued is not received within 30 days, the MFIP case must be closed and the agency shall pursue overpayments. The ORR documents certifying the noncitizen's status as a victim of severe forms of trafficking in persons, or the reason for the delay in processing, must be received within 90 days, or the MFIP case must be closed and the agency shall pursue overpayments; and
- (5) other documentation unavailable for reasons beyond the control of the applicant or participant. Reasonable attempts must have been made to obtain the documents requested under subdivision 2.