

CHAPTER 256D

GENERAL ASSISTANCE ACT

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256D.01 DECLARATION OF POLICY; CITATION. Subdivision 1. The objectives of Laws 1973, Chapter 650, Article 21, Sections 1 to 30 are to provide a sound administrative structure for public assistance programs; to maximize the use of federal funds for public assistance purposes; to provide property tax relief; and to provide an integrated public assistance program for all persons in the state without adequate income or resources to maintain a subsistence reasonably compatible with decency and health.

It is hereby declared to be the policy of this state that persons unable to provide for themselves and not otherwise provided for by law, who meet the eligibility requirements of Laws 1973, Chapter 650, Article 21 and do not refuse suitable employment, shall be entitled to receive such grants of general assistance and such services as may be necessary to maintain a subsistence reasonably compatible with decency and health. The furnishing of such assistance and services is a matter of public concern and a necessity in promoting the public health and welfare.

A principal objective in providing general assistance and services shall be to aid those persons who can be helped to become self-supporting or to attain self-care. To achieve this aim, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard for cash payments to recipients shall be: as to shelter and utilities, 100 percent of the actual need or state standards therefor, subject to the maximum established for shelter in the aid to the blind, aid to the disabled, and old age assistance programs in December, 1973; and as to other budgetary items, 50 percent, of those established for said items in the aid to the blind, aid to the disabled, and old age assistance programs in December, 1973. In order to maximize the use of federal funds, the commissioner shall promulgate regulations, to the extent permitted by federal law for eligibility for the emergency assistance program, under the terms of Laws 1973, Chapter 650, Article 21 for general assistance. The commissioner shall provide by regulation for the eligibility for general assistance of persons with seasonal income, and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient. The strengthening and preservation of the family unit shall be a principal consideration in the administration of Laws 1973, Chapter 650, Article 21 and all general assistance policies shall be formulated and administered so as to further this objective.

Subd. 2. Laws 1973, Chapter 650, Article 21, Sections 1 to 30 may be cited as the general assistance article.

[1973 c 650 art 21 s 1; 1974 c 297 s 1]

256D.02 DEFINITIONS. Subdivision 1. The terms defined in this section shall have the meanings given them unless otherwise provided or indicated by the context.

Subd. 2. "Commissioner" means the commissioner of public welfare or his designee.

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Subd. 3. "Department" means the department of public welfare.

Subd. 4. "General assistance" means cash payments to persons unable to provide themselves with a reasonable subsistence compatible with decency and health and who are not otherwise provided for under the laws of this state or the United States. It shall include cash payments for goods, shelter, fuel, food, clothing, light, necessary household supplies, and personal need items. General assistance shall not include payments for foster care, child welfare services, medical, dental, hospitalization, nursing care, drugs, or medical supplies. It is the intent of Laws 1973, Chapter 650, Article 21 that these items be provided by local agencies in accordance with programs in effect at the time of the passage of Laws 1973, Chapter 650, Article 21. Vendor payments may be made only as provided for in sections 256D.09 and 256D.11.

Subd. 5. "Family" means two or more individuals who are related by blood, marriage or adoption, who are living in a place or residence maintained by one or more of them as his or their own home, and at least one of whom is a child who is not married to another of such individuals and is in the care of or dependent upon another of such individuals.

Subd. 6. "Child" means an individual who is under the age of 18.

Subd. 7. "Childless couple" means two individuals who are related by marriage and who are living in a place of residence maintained by them as their own home.

Subd. 8. "Income" means earned and unearned income reduced by amounts paid or withheld for federal and state personal income taxes and federal social security taxes.

Subd. 9. "Earned income" means remuneration for services performed as an employee, and net earnings from self-employment.

Subd. 10. "Unearned income" means all other income including any payments received as an annuity, retirement or disability benefit, including veteran's or workers' compensation; old age, survivors and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or family assistance program; rents, dividends, interest and royalties; and support and maintenance payments except that such payments may not be considered as available to meet the needs of any person other than the person for whose benefit they are received, unless that person is under a legal duty to support another family member.

Subd. 11. "State aid" means state aid to local agencies for general assistance expenditures as provided for in Laws 1973, Chapter 650, Article 21.

Subd. 12. "Local agency" means the county welfare boards in the several counties of the state except that it may also include any multicounty welfare boards or departments where those have been established in accordance with law.

Subd. 13. "Suitable employment" means an appropriate income producing job including, but not limited to, all public subsidized jobs procured through the work equity program.

Subd. 14. "Work equity program" means the demonstrational training and employment project administered by the governor's manpower office.

[1973 c 650 art 21 s 2; 1975 c 359 s 23; 1976 c 2 s 81; 1977 c 301 s 1,2; 1978 c 772 s 62]

256D.03 RESPONSIBILITY TO PROVIDE GENERAL ASSISTANCE. Subdivision 1. Every local agency shall provide general assistance to persons residing within its jurisdiction who meet the need requirements of Laws 1973, Chapter 650, Article 21. General assistance shall be administered according to law and rules and regulations promulgated by the commissioner pursuant to the provisions of Laws 1973, Chapter 650, Article 21.

Subd. 2. State aid shall be paid to local agencies for 50 percent of all general assistance grants up to the standards of section 256D.01, subdivision 1, according to procedures established by the commissioner. Any local agency may, from its own resources, make payments of general assistance at a standard higher than that established by the commissioner, without reference to the standards of section 256D.01, subdivision 1.

Subd. 3. State aid shall be paid to local agencies or counties for 90 percent of the cost of general relief medical care paid by the local agency or county pursuant to sec-

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tion 256D.02, subdivision 4 on behalf of persons eligible according to standards established by the commissioner of welfare in accordance with the rates established by rule of the commissioner. Persons eligible for benefits under sections 256D.01 to 256D.19 shall have free choice in the selection of a vendor of the medical care. Any local agency or county may, from its own resources, make payments for medical care for persons not otherwise eligible for the care pursuant to standards established by the commissioner.

The commissioner of public welfare shall promulgate rules to establish administrative and fiscal procedures for payment of the state share of the medical costs incurred by the counties under section 256D.02, subdivision 4. The rules may include:

(a) procedures by which state liability for the costs of medical care incurred pursuant to section 256D.02, subdivision 4 may be deducted from county liability to the state under any other public assistance program authorized by law;

(b) procedures for processing claims of counties for reimbursement by the state for expenditures for medical care made by the counties pursuant to section 256D.02, subdivision 4;

(c) procedures by which the local agencies may contract with the commissioner of public welfare for state administration of general relief medical payments; and

(d) standards of eligibility and utilization of services.

[1973 c 650 art 21 s 3; 1975 c 437 art 2 s 8; 1976 c 186 s 1]

256D.04 DUTIES OF THE COMMISSIONER. In addition to any other duties imposed by law, the commissioner shall:

(1) Supervise the administration of general assistance by local agencies as provided in Laws 1973, Chapter 650, Article 21;

(2) Promulgate uniform rules and regulations consistent with law for carrying out and enforcing the provisions of Laws 1973, Chapter 650, Article 21 to the end that general assistance may be administered as uniformly as possible throughout the state; rules and regulations shall be furnished immediately to all local agencies and other interested persons; in promulgating rules and regulations, the provisions of chapter 15, shall apply;

(3) Allocate moneys appropriated for general assistance to local agencies as provided in Laws 1973, Chapter 650, Article 21;

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

(5) Cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under Laws 1973, Chapter 650, Article 21;

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

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

(8) Report at least annually to the governor and legislature the cost of living in the various counties and metropolitan areas as related to the standards of assistance and the amounts expended for assistance, and make this information available to the public; and

(9) Issue emergency rules necessary to implement the work equity program and promulgate all rules pursuant to chapter 15 necessary to carry out the program so that its demonstrational project may be administered uniformly throughout participating counties. Rules shall be furnished immediately to all local agencies and other interested persons.

[1973 c 650 art 21 s 4; 1977 c 301 s 3]

256D.05 ELIGIBILITY FOR GENERAL ASSISTANCE. Subdivision 1. **Standards.** Each person or family whose income and resources are less than the standard of assistance established by the commissioner shall be eligible for and entitled to general assistance; provided that no individual shall be eligible for general assistance if he

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is eligible for any of the following federally aided assistance programs: emergency assistance, aid to families with dependent children, or any successor to the above.

Subd. 2. Use of federal funds. Notwithstanding any law to the contrary, if any person otherwise eligible for general assistance would, but for state statutory restriction or limitation, be eligible for a federally aided assistance program providing benefits equal to or greater than those of general assistance, he shall be eligible for that federally aided program and ineligible for general assistance; provided, however, that (a) nothing in this section shall be construed to extend eligibility for federally aided programs to persons not otherwise eligible for general assistance; (b) this section shall not be effective to the extent that federal law or regulation require new eligibility for federal programs to persons not otherwise eligible for general assistance; and (c) nothing in this section shall deny general assistance to a person otherwise eligible who is determined ineligible for a substitute federally aided program.

Subd. 3. Residents of shelter facilities. Notwithstanding the provisions of subdivisions 1 and 2, general assistance payments may be made to individuals receiving aid to families with dependent children who are residing in a secure crisis shelter, a housing network, or other shelter facility which provides shelter services to women who are being or have been assaulted by their spouses, other male relatives, or other males with whom they are residing or have resided in the past.

[1973 c 650 art 21 s 5; 1974 c 297 s 2; 1977 c 428 s 7]

256D.06 AMOUNT OF ASSISTANCE. Subdivision 1. General assistance shall be granted in such an amount that when added to the nonexempt income actually available to the individual or family, the total amount equals the applicable standard of assistance established by the commissioner for general assistance.

Subd. 1a. The amount of general assistance established by the commissioner pursuant to subdivision 1 shall be granted for all persons participating under the work equity program. Income attributable to participation under this program shall not be used to terminate a recipient's general assistance status or the incidental benefits that flow therefrom. The grant of general assistance will be issued according to the terms of the contract agreed upon by the department of public welfare, the governor's manpower office and the United States department of labor.

Subd. 2. Notwithstanding the provisions of subdivision 1, a grant of general assistance may be made to an eligible individual or family for one or more items encompassed within the definition of general assistance where the applicant or recipient requests temporary assistance not exceeding 30 days and an emergency situation appears to exist if the individual is ineligible for the federally aided program of emergency assistance.

[1973 c 650 art 21 s 6; 1977 c 301 s 4]

256D.07 TIME OF PAYMENT OF ASSISTANCE. An applicant for general assistance shall be deemed presumptively eligible if his sworn application on its face demonstrates that he is within the eligibility criteria established by Laws 1973, Chapter 650, Article 21 and any applicable rules and regulations of the commissioner. General assistance shall be immediately granted to such presumptively eligible applicant without the necessity of first securing action by the board of the local agency.

If upon verification and due investigation it appears that the applicant swore falsely and such false information materially affected his eligibility for general assistance or the amount of his general assistance grant, the local agency shall refer the matter to the county attorney. The county attorney may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.

[1973 c 650 art 21 s 7]

256D.08 EXCLUSION FROM RESOURCES. Subdivision 1. In determining eligibility of a family or individual there shall be excluded the following resources:

(1) Property which does not exceed that permitted under the federally aided assistance program known as aid to families with dependent children; provided, however, that the commissioner may provide by rule and regulation more restrictive eligibility standards and levels of payment for general assistance if it is determined that funds available are not adequate to meet projected need; and

(2) Other property, including real or personal property used as a home, which has been determined, in accordance with and subject to limitations contained in rules and regulations promulgated by the commissioner, to be essential to the family or individual as a means of self-support or self-care or which is producing income that is being used for the support of the individual or family. The commissioner shall further provide by rule and regulation for those situations in which property may be retained by the family or individual where there is a reasonable probability that in the foreseeable future the property will be used for the self-support of the individual or family.

Subd. 2. Notwithstanding any other provision of Laws 1973, Chapter 650, Article 21, the commissioner shall provide by rule and regulation 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 and an undue hardship would be imposed on an individual or family by the forced disposal of such property.

[1973 c 650 art 21 s 8]

256D.09 FORM OF PAYMENT; VENDOR PAYMENTS. Subdivision 1. All grants of general assistance shall be paid in cash and with such frequency as the commissioner shall determine. The commissioner may provide by rule and regulation for the making of general assistance payments in different time periods for various reasonable classifications of recipients.

Subd. 2. Notwithstanding the provisions of subdivision 1, the commissioner shall provide by rule and regulation for situations in which vendor payments may be made by local agencies because of the inability of the recipient to manage his general assistance grant for his own or family's benefit.

[1973 c 650 art 21 s 9]

256D.10 HEARINGS PRIOR TO REDUCTION; TERMINATION; SUSPENSION OF GENERAL ASSISTANCE GRANTS. No grant of general assistance except one made pursuant to sections 256D.06, subdivision 2 or 256D.08, subdivision 2, shall be reduced, terminated or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to any action by the local agency.

Nothing herein shall deprive a recipient of his right to full administrative and judicial review of an order or determination of a local agency as provided for in section 256D.12 subsequent to any action taken by a local agency after a prior hearing.

[1973 c 650 art 21 s 10]

256D.11 WORK INCENTIVE AND REGISTRATION. Subdivision 1. Every person who is a recipient of general assistance, not employed, and not described in subdivision 1a, shall be required, unless exempt by subdivision 6, to register for employment services with the commissioner of economic security and the local agency and accept any suitable employment that is offered him.

Subd. 1a. Every person who is a recipient of general assistance in a county designated by the commissioner for participation in the work equity program and who is not employed shall be required, unless exempt by subdivision 6, to register for and participate in the work equity program.

Subd. 2. The local agency shall provide a general assistance work program for persons who qualify for assistance but who are unable to gain employment through the state employment service of the commissioner. Local agencies shall adopt a list of work priorities to be met through the employment of eligible recipients when such recipients are unable to gain employment through the state employment service or through their own initiative. The local agency may assign the recipient such work as he is able to perform but which is not that ordinarily performed and which would supplement but not replace projects which are ordinarily performed by regular employees of the county.

Subd. 2a. The governor's manpower office shall provide a work equity program for all persons who qualify for general assistance and are within the counties described in subdivision 1a. The governor's manpower office shall adopt a list of program priorities to be met through this program. The office may assign an eligible recipient such community project work as he is able to perform but which would not be otherwise performed and which would supplement but not replace projects which are ordinarily performed by regular employees of the county.

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Subd. 3. General assistance work program recipients shall be paid at the same wage rates as county employees doing similar work, and the number of hours of work assigned to a recipient shall be determined by the needs of himself and his family including expenses incidental to his employment.

Subd. 3a. Participants in the work equity program shall be paid at the same wage rates as public employees doing similar work or at the prevailing minimum wage, whichever is greater, however, the number of hours a participant works in the work equity program shall not be limited by the grant standards of the general assistance program.

Subd. 4. The commissioner or a local agency may contract with the federal government, or with any department, agency, subdivision or instrumentality of the state, or with any nonprofit organization approved by the commissioner of public welfare for the services of general assistance work program recipients on such terms and conditions as may be agreed upon, with or without consideration paid to the local agency. In a county where the work equity program is in operation, the commissioner shall have the sole authority to contract with the federal government and with any other state department, and no consideration shall be paid to the local agency, except for consideration attributable to additional administration expenses. The contract agreed upon by the commissioner shall provide for the necessary methods of funding work equity program jobs, which methods may include a transfer of state and local agency general assistance grant moneys directly to the governor's manpower office. The contract may provide that an intended recipient may receive a pay check equal to or greater than his designated amount of assistance instead of receiving his grant.

Subd. 5. General assistance work program recipients are employees of the local agencies within the meaning of workers' compensation laws, but not retirement or civil service laws.

Subd. 6. No person shall be required to register with the commissioner of economic security if he is:

- (1) A person with illness, incapacity, or advanced age;
- (2) A child attending a school or college full time;
- (3) A person whose presence in the home on a substantially continuous basis is required because of the illness or incapacity of another member of the household;
- (4) A person who has been referred to or applied for a work training, work experience, vocational rehabilitation or other such similar program; provided that the period of time such person is exempted from the registration requirements of subdivision 1, while awaiting acceptance into such program, does not exceed 30 days; or
- (5) An adult member of a household with children in which another adult is employed full time or has registered with the state employment service or been accepted in a work training program.

Subd. 7. Any person who objects to being required to register with the commissioner of economic security shall be entitled to a prior hearing in accord with the provisions of section 256D.10 on the issue of whether such person comes within the exemptions contained in subdivision 6, clause (1), (2), (3), or (4).

Subd. 8. (1) Any person who refuses to accept suitable employment when offered him shall lose his eligibility for general assistance and, if a member of a family receiving general assistance, that portion of the grant attributable to said person shall not be paid.

The commissioner may further provide by rule and regulation that vendor payments may be made with respect to any family in which a person who is obligated to accept suitable employment has refused to do so.

(2) The provisions of section 256D.10 providing for notice and opportunity to be heard prior to a decision to reduce, suspend or terminate benefits shall be applicable to determinations made under clause (1).

Subd. 9. The commissioner shall establish procedures to insure that any recipient of general assistance desiring to improve his ability to support himself and his family shall be promptly referred to the department of economic security or any other

agency, public or private, operating a work training, work experience, vocational rehabilitation or other similar program.

[1973 c 254 s 3; 1973 c 650 art 21 s 11; 1975 c 359 s 23; 1977 c 301 s 5-9; 1977 c 430 s 19-23; 1977 c 448 s 8]

256D.12 [Repealed, 1976 c 131 s 2]

256D.13 MANDAMUS TO COMPEL PAYMENT OF GENERAL ASSISTANCE.

Subdivision 1. Notwithstanding the provisions of section 256D.12 providing for administrative and judicial review of local agency determinations, a person denied general assistance by the local agency may apply to the district court of the county in which his application was filed and the district court shall order the payment of general assistance if the person establishes:

(1) The substantial likelihood that he is eligible for and entitled to general assistance, and

(2) The person or family will suffer irreparable injury if general assistance is not granted without delay.

Subd. 2. The denial by a district court of a writ of mandamus shall not affect the right or scope of administrative or judicial review as set forth in section 256D.16.

[1973 c 650 art 21 s 13]

256D.14 VIOLATIONS. Whoever obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or by impersonation, or other fraudulent device:

(1) Assistance to which he is not entitled; or

(2) Assistance greater than that to which he is reasonably entitled;

shall be considered to have violated section 256.98, and shall be subject to the criminal and civil penalties provided therein.

[1973 c 650 art 21 s 14]

256D.15 RELATIVE'S RESPONSIBILITY. The financial responsibility of a relative for an applicant or recipient of general assistance shall not extend beyond the relationship of a spouse, or a parent of an applicant or recipient who is a child.

[1973 c 650 art 21 s 15]

256D.16 GENERAL ASSISTANCE TO BE ALLOWED AS CLAIM IN PROBATE COURT. On the death of any person who received any general assistance under Laws 1973, Chapter 650, Article 21, or on the death of the survivor of a married couple, either or both of whom received general assistance, the total amount paid as general assistance to either or both, without interest, shall be allowed as a claim against the estate of such person or persons by the court having jurisdiction to probate the estate.

[1973 c 650 art 21 s 16]

256D.17 DATA PROCESSING PROCEDURES. The local agency shall, to the extent permitted by federal law or regulation, in addition to any other necessary records and procedures, provide for the inclusion of all general assistance records in any data processing system established for the medical assistance program, in accordance with procedures established by the commissioner.

[1973 c 650 art 21 s 17]

256D.18 RESIDENCE; COUNTY OF FINANCIAL RESPONSIBILITY; DETERMINATION. Subdivision 1. In determining the county of financial responsibility, in all matters concerning legal settlement of the poor, the definitions and rules of this section shall apply.

Subd. 2. "County of financial responsibility" means (a) the county in which an individual resides; or (b) if an individual is a patient in a hospital or nursing home, as defined in sections 144.50, or 144A.01 or is placed in a county as a result of a correctional program or a treatment plan for health, rehabilitation, foster care, child care or training, at the time of making application, and immediately prior thereto resided in another county, then that other county; or (c) the above provisions notwithstanding, if an individual is a recipient of medical assistance, the county from which he is receiving medical assistance.

Subd. 3. Notwithstanding the provisions of subdivision 2, the county of financial responsibility shall not change as a result of successive placements in one or more

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counties pursuant to a plan of treatment for health, rehabilitation, foster care, child care or training; nor as a result of placement in any correctional program.

Subd. 4. If upon investigation the local agency decides that the application was not filed in the county of financial responsibility as defined by this section, but that the applicant is otherwise eligible for assistance, it shall, while providing assistance to the applicant, transmit a copy of the application, together with the record of any investigation made by it and a copy of its decision, to the state agency, and to the agency of the county which it has decided is the county of financial responsibility. The state agency shall thereupon promptly decide any question of financial responsibility and make an order referring the application to the local agency of the proper county for further action, including reimbursement by such county of any assistance which another county has provided to the applicant in accordance with this subdivision. The state agency may make such investigation as it deems proper before making its decision. It shall prescribe rules and regulations for carrying into effect this subdivision. The order of the state agency shall be binding upon the local agency involved and the applicant or recipient, shall be complied with by that agency unless reversed on appeal as provided in Laws 1973, Chapter 650, Article 21, and shall be so complied with pending any such appeal.

[1973 c 650 art 21 s 18; 1974 c 297 s 3; 1976 c 173 s 58]

256D.19 ABOLITION OF TOWNSHIP SYSTEM OF POOR RELIEF. Subdivision 1. The town system for caring for the poor in each of the counties in which it is in effect is hereby abolished. The county welfare board of each county shall administer general assistance under the provisions of Laws 1973, Chapter 650, Article 21.

Subd. 2. All county welfare boards affected by Laws 1973, Chapter 650, Article 21 are hereby authorized to take over for the county as of January 1, 1974, the ownership of all case records relating to the administration of poor relief.

[1973 c 650 art 21 s 19]

256D.20 TRANSFER OF TOWN EMPLOYEES. Subdivision 1. The term "merit system" as used herein shall mean the rules for a merit system of personnel administration for employees of county welfare boards adopted by the commissioner of public welfare in accordance with the provisions of section 393.07, including the merit system established for Hennepin county pursuant to Laws 1965, Chapter 855, as amended, the federal social security article as amended, and merit system standards and regulations issued by the federal social security board and the United States children's bureau.

Subd. 2. All employees of any municipality or town who are engaged full time in poor relief work therein on January 1, 1974 shall be retained as employees of the county and placed under the jurisdiction of its welfare board.

All transferred employees shall be blanketed into the merit system with comparable status, classification, longevity, and seniority, and subject to the administrative requirements of the county welfare board. Employees with permanent status under any civil service provision on January 1, 1974 shall be granted permanent status under the merit system at comparable classifications and in accordance with work assignments made under the authority of the county welfare board as provided by the merit system rules.

The determination of proper job allocation shall be the responsibility of the personnel officer or director as provided under merit system rules applicable to the county involved with the right of appeal of allocation to the merit system council or personnel board by any employee affected by this transfer.

All transferred employees shall receive salaries for the classification to which they are allocated in accordance with the schedule in effect for county welfare board employees and at a salary step which they normally would have received had they been employed by the county welfare board for the same period of service they had previously served under the civil service provisions of any municipality or town; provided, however, that no salary shall be reduced as a result of the transfer.

All accumulated sick leave of transferred employees in the amount of 60 days or less shall be transferred to the records of the county welfare board and such accumulated sick leave shall be the legal liability of the county welfare board. All accumulated sick leave in excess of 60 days shall be paid in cash to transferred employees by the municipality or town by which they were employed prior to their transfer, at the

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time of transfer. In lieu of the cash payment, the municipality or town shall, at the option of the employee concerned, allow a leave of absence with pay, prior to transfer, for all or part of the accumulated sick leave.

Subd. 3. Employees of municipalities and towns engaged in the work of administering poor relief who are not covered by civil service provisions shall be blanketed into the merit system subject to a qualifying examination. Employees with one year or more service shall be subject to a qualifying examination and those with less than one year's service shall be subject to an open competitive examination.

Subd. 4. All vacation leave of employees referred to in subdivision 2, accumulated prior to their transfer to county employment shall be paid in cash to them by the municipality or town by which they were employed prior to their transfer, and at the time of their transfer. In lieu of the cash payment, the municipality or town shall, at the option of the employee concerned, allow a leave of absence with pay, prior to such transfer, for all or part of the accumulated vacation time.

[1973 c 650 art 21 s 20]

256D.21 CONTINUATION OF RETIREMENT SYSTEM FOR FORMER MINNEAPOLIS EMPLOYEES. Subdivision 1. Each employee of the city of Minneapolis who is transferred to and employed by the county under the provisions of section 256D.20 and who is a contributing member of a retirement system organized under the provisions of chapter 422A, shall continue to be a member of that system and entitled to all of the benefits conferred thereby and subject to all the restrictions of chapter 422A, unless he applies to cancel his membership within six months after January 1, 1974.

Subd. 2. The cost to the public of that portion of the retirement allowances or other benefits accrued while any such employee was in the service of the city of Minneapolis shall remain an obligation of the city and a tax shall be levied and collected by it to discharge its obligation as provided by chapter 422A.

Subd. 3. The cost to the public of the retirement allowances or other benefits accruing to employees so transferred to and employed by the county shall be the obligation of and paid by the county at such time as the retirement board shall fix and determine in accordance with chapter 422A. The county shall pay to the municipal retirement fund an amount certified to the county auditor of the county by the retirement board as the cost of the retirement allowances and other benefits accruing and owing to such county employees. The cost to the public of the retirement allowances as herein provided shall be paid from the county revenue fund by the county auditor upon receipt of certification from the retirement board as herein provided, and the county board is authorized to levy and collect such taxes as may be necessary to pay such costs.

[1973 c 650 art 21 s 21; 1976 c 239 s 82]

256D.22 REIMBURSEMENT OF COUNTIES BY STATE RELATING TO PUBLIC ASSISTANCE. To the extent of appropriations available therefor, the department of public welfare shall reimburse counties up to 50 percent of all salary expenses, approved by the commissioner, incurred and paid by the counties, for which no payment or reimbursement is made by the United States or any subdivision thereof, in administering, and salary administrative costs in providing services in connection with, all public assistance programs. No aid under this section shall be paid for salary costs of (a) single-county welfare directors; or (b) fiscal support personnel to the extent involved in the processing of public assistance claims and payments, or their supporting clerical staff; or (c) persons who are not regularly assigned employees of local agencies. Claims for reimbursement for expenditures made by the county shall be presented to the department by the respective counties at least four times per year in such manner as the commissioner shall prescribe. For the purposes of this section, the term "salary" shall include regular compensation not in excess of that paid similarly situated state employees, the employer's cost of health benefits and contributions to the appropriate retirement system, but shall not include travel or other reimbursable expenses. The commissioner shall, pursuant to the administrative procedures act, prior to making any payments, promulgate rules to implement this section.

[1973 c 650 art 21 s 30]

256D.35 DEFINITIONS. Subdivision 1. For the purposes of Laws 1974, Chapter 487, the terms defined in this section shall have the meanings given them.

Subd. 2. "Supplemental security income" means benefits paid under the federal program of supplemental security income for the aged, blind, and disabled, Title XVI of the Social Security Act, as enacted by section 301 of the Social Security Amendments of 1972.

Subd. 3. "Applicant for supplemental security income" means an individual who has applied for supplemental security income and who, but for excess income or resources, would be a recipient of supplemental security income.

Subd. 4. "Supplemental aid" means state and county payments to eligible applicants for or recipients of supplemental security income, in accordance with the provisions of Laws 1974, Chapter 487 and rules and regulations promulgated by the commissioner of welfare.

Subd. 5. "Commissioner" means the commissioner of public welfare or his designee.

Subd. 6. "Department" means the department of public welfare.

Subd. 7. "Local agency" means the county welfare boards in the several counties of the state except that it may also include any multicounty welfare boards or departments where those have been established in accordance with law.

Subd. 8. "Income" means earned and unearned income from any source whatsoever, reduced by amounts paid for federal and state personal income taxes and federal social security taxes.

[1974 c 487 s 1]

256D.36 1973 CATEGORICAL AID RECIPIENTS; PROVISIONS FOR SUPPLEMENTAL AID. Subdivision 1. Commencing January 1, 1974, the commissioner shall certify to each local agency the names of all county residents who were eligible for and did receive aid during December, 1973 pursuant to a categorical aid program of old age assistance, aid to the blind, or aid to the disabled. From and after January 1, 1974, the state and the county shall each pay one half of the supplemental aid calculated for each county resident certified under this section who is an applicant for or recipient of supplemental security income. The amount of supplemental aid for each individual eligible under this section shall be calculated pursuant to the formula prescribed in Title II, Section 212 (a) (3) of Public Law 93-66, as amended.

Subd. 2. An individual eligible for supplemental aid under this section may renounce his or her rights to aid under this section and become eligible for supplemental aid under the provisions of section 256D.37; or, the individual may retain eligibility under this section and have the amount of his or her supplemental aid recalculated pursuant to the provisions of section 256D.38.

[1974 c 487 s 2]

256D.37 NEW APPLICANTS AND RECIPIENTS; PROVISIONS FOR SUPPLEMENTAL AID. Subdivision 1. For all applicants for or recipients of supplemental security income who did not receive aid pursuant to any categorical aid program referred to in section 256D.36 during December, 1973, and who make application to the appropriate local agency, the local agency shall determine whether the individual meets the eligibility criteria prescribed in subdivision 2. For each individual who meets the relevant eligibility criteria prescribed in subdivision 2, the local agency shall certify to the commissioner the amount of supplemental aid to which the individual is entitled in accordance with all of the standards in effect December 31, 1973, for the appropriate categorical aid program. In computing the amount of supplemental aid under this section, the local agency shall deduct from the gross amount of the individual's determined needs all income, subject to the criteria for income disregards in effect December 31, 1973, for the appropriate categorical aid program. From and after the first of the month in which an effective application is filed, the state and the county shall each pay one half of the supplemental aid to which the individual is entitled under this section.

Subd. 2. The eligibility criteria for supplemental aid under this section shall be those in effect December 31, 1973 for the categorical aid programs of old age assistance, aid to the blind, and aid to the disabled except that net equity of \$25,000 in one home used as a residence, one automobile the market value of which does not exceed \$1,650, and real estate not used as a home which produces net income applicable to the family's needs or which the family is making a continuing effort to sell at a fair and reasonable price, are to be disregarded in determining eligibility. The commis-

sioner of public welfare shall annually adjust the limitation on net equity in real property used as a home by the same percentage as the homestead base value index provided in section 273.122, subdivision 2. The local agency shall apply the relevant criteria to each application. The local agency in its discretion may permit eligibility of an applicant having assets in excess of the amount prescribed in this section if liquidation of the assets would cause undue loss or hardship.

[1974 c 487 s 3; 1977 c 448 s 9]

256D.38 RECALCULATION OF SUPPLEMENTAL AID IN CASES OF CHANGED CIRCUMSTANCES. A recipient of supplemental aid may, if his or her circumstances change substantially after becoming a recipient of supplemental aid, have the amount of his or her aid recalculated in accordance with the standards set forth in section 256D.37.

[1974 c 487 s 4]

256D.39 FISCAL AND ADMINISTRATIVE PROCEDURES. The commissioner of public welfare shall supervise county administration of supplemental aid, and shall, by rule and regulation, establish necessary administrative and fiscal procedures. The procedures may include, but not be limited to:

(a) Procedures for processing claims of the counties for reimbursement by the state for expenditures made by the counties;

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

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

[1974 c 487 s 5]

256D.40 [Repealed, 1976 c 131 s 2]

256D.41 RULES AND REGULATIONS. The commissioner of public welfare shall promulgate all rules and regulations necessary to carry out the provisions of Laws 1974, Chapter 487; and may enter into any contracts and agreements necessary for the administration of supplemental aid.

[1974 c 487 s 7]