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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 1993

March 12, 2007

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The bill was read for the first time and referred to the Committee on Health and Human Services

1.1 A bill for an act
1.2 relating to human services; making program integrity improvements; modifying
1.3 public assistance overpayments, public assistance declarations, workers'
1.4 compensation data, and commissioner's subpoena authority; amending
1.5 Minnesota Statutes 2006, sections 13.46, subdivision 2; 16D.13, subdivision
1.6 3; 119B.125, subdivision 2; 119B.13, subdivisions 1, 3a; 256.01, subdivision
1.7 4; 256.015, subdivision 7; 256.017, subdivisions 1, 9; 256.0471, subdivision
1.8 1; 256.984, subdivision 1; 256J.21, subdivision 2; 256J.95, subdivision 13;
1.9 270B.14, subdivision 1; repealing Minnesota Statutes 2006, section 119B.08,
1.10 subdivision 4.

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

1.12 ARTICLE 1
1.13 PROGRAM INTEGRITY

1.14 Section 1. Minnesota Statutes 2006, section 256.01, subdivision 4, is amended to read:

1.15 Subd. 4. **Duties as state agency.** (a) The state agency shall:

1.16 (1) supervise the administration of assistance to dependent children under Laws
1.17 1937, chapter 438, by the county agencies in an integrated program with other service for
1.18 dependent children maintained under the direction of the state agency;

1.19 ~~(2) may subpoena witnesses and administer oaths, make rules, and take such action~~
1.20 ~~as may be necessary, or desirable for carrying out the provisions of Laws 1937, chapter~~
1.21 ~~438. All rules made by the state agency shall be binding on the counties and shall be~~
1.22 ~~complied with by the respective county agencies;~~

1.23 (3) (2) establish adequate standards for personnel employed by the counties and the
1.24 state agency in the administration of Laws 1937, chapter 438, and make the necessary
1.25 rules to maintain such standards;

2.1 ~~(4)~~ (3) prescribe the form of and print and supply to the county agencies blanks
 2.2 for applications, reports, affidavits, and such other forms as it may deem necessary and
 2.3 advisable;

2.4 ~~(5)~~ (4) cooperate with the federal government and its public welfare agencies
 2.5 in any reasonable manner as may be necessary to qualify for federal aid for temporary
 2.6 assistance for needy families and in conformity with title I of Public Law 104-193, the
 2.7 Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and successor
 2.8 amendments, including the making of such reports and such forms and containing such
 2.9 information as the Federal Social Security Board may from time to time require, and
 2.10 comply with such provisions as such board may from time to time find necessary to assure
 2.11 the correctness and verification of such reports;

2.12 ~~(6) may cooperate with other state agencies in establishing reciprocal agreements in~~
 2.13 ~~instances where a child receiving Minnesota family investment program assistance moves~~
 2.14 ~~or contemplates moving into or out of the state, in order that such child may continue to~~
 2.15 ~~receive supervised aid from the state moved from until the child shall have resided for~~
 2.16 ~~one year in the state moved to;~~

2.17 ~~(7)~~ (5) on or before October 1 in each even-numbered year make a biennial report
 2.18 to the governor concerning the activities of the agency;

2.19 ~~(8)~~ (6) enter into agreements with other departments of the state as necessary to meet
 2.20 all requirements of the federal government; and

2.21 ~~(9)~~ (7) cooperate with the commissioner of education to enforce the requirements
 2.22 for program integrity and fraud prevention for investigation for child care assistance
 2.23 under chapter 119B.

2.24 (b) The state agency may:

2.25 (1) subpoena witnesses and administer oaths, make rules, and take such action as
 2.26 may be necessary, or desirable for carrying out the provisions of Laws 1937, chapter 438.
 2.27 All rules made by the state agency shall be binding on the counties and shall be complied
 2.28 with by the respective county agencies;

2.29 (2) cooperate with other state agencies in establishing reciprocal agreements in
 2.30 instances where a child receiving Minnesota family investment program assistance moves
 2.31 or contemplates moving into or out of the state, in order that such child may continue to
 2.32 receive supervised aid from the state moved from until the child shall have resided for one
 2.33 year in the state moved to; and

2.34 (3) administer oaths and affirmations, take depositions, certify to official acts, and
 2.35 issue subpoenas to compel the attendance of individuals and the production of documents

3.1 and other personal property necessary in connection with the administration of programs
3.2 administered by the Department of Human Services.

3.3 (c) The fees for service of a subpoena in paragraph (b), clause (3), must be paid in
3.4 the same manner as prescribed by law for a service of process issued by a district court.
3.5 Witnesses must receive the same fees and mileage as in civil actions.

3.6 (d) The subpoena in paragraph (b), clause (3), shall be enforceable through the
3.7 district court in the district where the subpoena is issued.

3.8 Sec. 2. Minnesota Statutes 2006, section 256.015, subdivision 7, is amended to read:

3.9 Subd. 7. **Cooperation required.** Upon the request of the Department of Human
3.10 Services, any state agency or third party payer shall cooperate with the department in
3.11 furnishing information to help establish a third party liability. Upon the request of the
3.12 Department of Human Services or county child support or human service agencies, any
3.13 employer or third party payer shall cooperate in furnishing information about group health
3.14 insurance plans or medical benefit plans available to its employees. For purposes of
3.15 section 176.191, subdivision 4, the Department of Labor and Industry may allow the
3.16 Department of Human Services and county agencies direct access and data matching on
3.17 information relating to workers' compensation claims in order to determine whether the
3.18 claimant has reported the fact of a pending claim and the amount paid to or on behalf of
3.19 the claimant, to the Department of Human Services. The Department of Human Services
3.20 and county agencies shall limit its use of information gained from agencies, third party
3.21 payers, and employers to purposes directly connected with the administration of its public
3.22 assistance and child support programs. The provision of information by agencies, third
3.23 party payers, and employers to the department under this subdivision is not a violation of
3.24 any right of confidentiality or data privacy.

3.25 Sec. 3. Minnesota Statutes 2006, section 256.0471, subdivision 1, is amended to read:

3.26 Subdivision 1. **Qualifying overpayment.** Any overpayment for assistance granted
3.27 under chapter 119B, the MFIP program formerly codified under sections 256.031 to
3.28 256.0361, and the AFDC program formerly codified under sections 256.72 to 256.871;
3.29 chapters 256B, 256D, 256I, 256J, ~~and 256K,~~ and 256L; and the food stamp or food support
3.30 program, except agency error claims, become a judgment by operation of law 90 days
3.31 after the notice of overpayment is personally served upon the recipient in a manner that
3.32 is sufficient under rule 4.03(a) of the Rules of Civil Procedure for district courts, or by
3.33 certified mail, return receipt requested. This judgment shall be entitled to full faith and
3.34 credit in this and any other state.

4.1 Sec. 4. Minnesota Statutes 2006, section 256.984, subdivision 1, is amended to read:

4.2 Subdivision 1. **Declaration.** Every application for public assistance under this
4.3 chapter or chapters 256B, 256D, 256J, 256L, child care programs under chapter 119B, and
4.4 food stamps or food support under chapter 393 shall be in writing or reduced to writing as
4.5 prescribed by the state agency and shall contain the following declaration which shall be
4.6 signed by the applicant:

4.7 "I declare under the penalties of perjury that this application has been examined
4.8 by me and to the best of my knowledge is a true and correct statement of every
4.9 material point. I understand that a person convicted of perjury may be sentenced
4.10 to imprisonment of not more than five years or to payment of a fine of not more
4.11 than \$10,000, or both."

4.12 ARTICLE 2

4.13 MINNESOTA FAMILY INVESTMENT PROGRAM

4.14 Section 1. Minnesota Statutes 2006, section 256J.21, subdivision 2, is amended to read:

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

4.17 (1) payments for basic care, difficulty of care, and clothing allowances received for
4.18 providing family foster care to children or adults under Minnesota Rules, parts 9555.5050
4.19 to 9555.6265, 9560.0521, and 9560.0650 to 9560.0655, and payments received and used
4.20 for care and maintenance of a third-party beneficiary who is not a household member;

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

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

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

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

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

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

- 5.1 (ii) federal income tax refunds;
- 5.2 (8)(i) federal earned income credits;
- 5.3 (ii) Minnesota working family credits;
- 5.4 (iii) state homeowners and renters credits under chapter 290A; and
- 5.5 (iv) federal or state tax rebates;
- 5.6 (9) funds received for reimbursement, replacement, or rebate of personal or real
- 5.7 property when these payments are made by public agencies, awarded by a court, solicited
- 5.8 through public appeal, or made as a grant by a federal agency, state or local government,
- 5.9 or disaster assistance organizations, subsequent to a presidential declaration of disaster;
- 5.10 (10) the portion of an insurance settlement that is used to pay medical, funeral, and
- 5.11 burial expenses, or to repair or replace insured property;
- 5.12 (11) reimbursements for medical expenses that cannot be paid by medical assistance;
- 5.13 (12) payments by a vocational rehabilitation program administered by the state
- 5.14 under chapter 268A, except those payments that are for current living expenses;
- 5.15 (13) in-kind income, including any payments directly made by a third party to a
- 5.16 provider of goods and services;
- 5.17 (14) assistance payments to correct underpayments, but only for the month in which
- 5.18 the payment is received;
- 5.19 (15) payments for short-term emergency needs under section 256J.626, subdivision
- 5.20 2;
- 5.21 (16) funeral and cemetery payments as provided by section 256.935;
- 5.22 (17) nonrecurring cash gifts of \$30 or less, not exceeding \$30 per participant in
- 5.23 a calendar month;
- 5.24 (18) any form of energy assistance payment made through Public Law 97-35,
- 5.25 Low-Income Home Energy Assistance Act of 1981, payments made directly to energy
- 5.26 providers by other public and private agencies, and any form of credit or rebate payment
- 5.27 issued by energy providers;
- 5.28 (19) Supplemental Security Income (SSI), including retroactive SSI payments and
- 5.29 other income of an SSI recipient, except as described in section 256J.37, subdivision 3b;
- 5.30 (20) Minnesota supplemental aid, including retroactive payments;
- 5.31 (21) proceeds from the sale of real or personal property;
- 5.32 (22) state adoption assistance payments under section 259.67, and up to an equal
- 5.33 amount of county adoption assistance payments;
- 5.34 (23) state-funded family subsidy program payments made under section 252.32
- 5.35 to help families care for children with developmental disabilities, consumer support
- 5.36 grant funds under section 256.476, and resources and services for a disabled household

6.1 member under one of the home and community-based waiver services programs under
6.2 chapter 256B;

6.3 (24) interest payments and dividends from property that is not excluded from and
6.4 that does not exceed the asset limit;

6.5 (25) rent rebates;

6.6 (26) income earned by a minor caregiver, minor child through age 6, or a minor
6.7 child who is at least a half-time student in an approved elementary or secondary education
6.8 program;

6.9 (27) income earned by a caregiver under age 20 who is at least a half-time student in
6.10 an approved elementary or secondary education program;

6.11 (28) MFIP child care payments under section 119B.05;

6.12 (29) all other payments made through MFIP to support a caregiver's pursuit of
6.13 greater economic stability;

6.14 (30) income a participant receives related to shared living expenses;

6.15 (31) reverse mortgages;

6.16 (32) benefits provided by the Child Nutrition Act of 1966, United States Code, title
6.17 42, chapter 13A, sections 1771 to 1790;

6.18 (33) benefits provided by the women, infants, and children (WIC) nutrition program,
6.19 United States Code, title 42, chapter 13A, section 1786;

6.20 (34) benefits from the National School Lunch Act, United States Code, title 42,
6.21 chapter 13, sections 1751 to 1769e;

6.22 (35) relocation assistance for displaced persons under the Uniform Relocation
6.23 Assistance and Real Property Acquisition Policies Act of 1970, United States Code, title
6.24 42, chapter 61, subchapter II, section 4636, or the National Housing Act, United States
6.25 Code, title 12, chapter 13, sections 1701 to 1750jj;

6.26 (36) benefits from the Trade Act of 1974, United States Code, title 19, chapter
6.27 12, part 2, sections 2271 to 2322;

6.28 (37) war reparations payments to Japanese Americans and Aleuts under United
6.29 States Code, title 50, sections 1989 to 1989d;

6.30 (38) payments to veterans or their dependents as a result of legal settlements
6.31 regarding Agent Orange or other chemical exposure under Public Law 101-239, section
6.32 10405, paragraph (a)(2)(E);

6.33 (39) income that is otherwise specifically excluded from MFIP consideration in
6.34 federal law, state law, or federal regulation;

6.35 (40) security and utility deposit refunds;

7.1 (41) American Indian tribal land settlements excluded under Public Laws 98-123,
 7.2 98-124, and 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech
 7.3 Lake, and Mille Lacs reservations and payments to members of the White Earth Band,
 7.4 under United States Code, title 25, chapter 9, section 331, and chapter 16, section 1407;

7.5 (42) all income of the minor parent's parents and stepparents when determining the
 7.6 grant for the minor parent in households that include a minor parent living with parents or
 7.7 stepparents on MFIP with other children;

7.8 (43) income of the minor parent's parents and stepparents equal to 200 percent of the
 7.9 federal poverty guideline for a family size not including the minor parent and the minor
 7.10 parent's child in households that include a minor parent living with parents or stepparents
 7.11 not on MFIP when determining the grant for the minor parent. The remainder of income is
 7.12 deemed as specified in section 256J.37, subdivision 1b;

7.13 (44) payments made to children eligible for relative custody assistance under section
 7.14 257.85;

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

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

7.18 (47) cash payments to individuals enrolled for full-time service as a volunteer under
 7.19 AmeriCorps programs including AmeriCorps VISTA, AmeriCorps State, AmeriCorps
 7.20 National, and AmeriCorps NCCC.

7.21 Sec. 2. Minnesota Statutes 2006, section 256J.95, subdivision 13, is amended to read:

7.22 Subd. 13. **Immediate referral to employment services.** Within one working day of
 7.23 determination that the applicant is eligible for the diversionary work program, but before
 7.24 benefits are issued to or on behalf of the family unit, the county shall refer all caregivers to
 7.25 employment services. The referral to the DWP employment services must be in writing
 7.26 and must contain the following information:

7.27 (1) notification that, as part of the application process, applicants are required to
 7.28 develop an employment plan or the DWP application will be denied;

7.29 (2) the employment services provider name and phone number;

7.30 ~~(3) the date, time, and location of the scheduled employment services interview;~~

7.31 ~~(4)~~ (3) the immediate availability of supportive services, including, but not limited
 7.32 to, child care, transportation, and other work-related aid; and

7.33 ~~(5)~~ (4) the rights, responsibilities, and obligations of participants in the program,
 7.34 including, but not limited to, the grounds for good cause, the consequences of refusing or
 7.35 failing to participate fully with program requirements, and the appeal process.

8.1 **ARTICLE 3**
8.2 **CHILD CARE**

8.3 Section 1. Minnesota Statutes 2006, section 13.46, subdivision 2, is amended to read:

8.4 Subd. 2. **General.** (a) Unless the data is summary data or a statute specifically
8.5 provides a different classification, data on individuals collected, maintained, used, or
8.6 disseminated by the welfare system is private data on individuals, and shall not be
8.7 disclosed except:

8.8 (1) according to section 13.05;

8.9 (2) according to court order;

8.10 (3) according to a statute specifically authorizing access to the private data;

8.11 (4) to an agent of the welfare system, including a law enforcement person, attorney,
8.12 or investigator acting for it in the investigation or prosecution of a criminal or civil
8.13 proceeding relating to the administration of a program;

8.14 (5) to personnel of the welfare system who require the data to verify an individual's
8.15 identity; determine eligibility, amount of assistance, and the need to provide services to
8.16 an individual or family across programs; evaluate the effectiveness of programs; and
8.17 investigate suspected fraud;

8.18 (6) to administer federal funds or programs;

8.19 (7) between personnel of the welfare system working in the same program;

8.20 (8) to the Department of Revenue to administer and evaluate tax refund or tax credit
8.21 programs and to identify individuals who may benefit from these programs. The following
8.22 information may be disclosed under this paragraph: an individual's and their dependent's
8.23 names, dates of birth, Social Security numbers, income, addresses, and other data as
8.24 required, upon request by the Department of Revenue. Disclosures by the commissioner
8.25 of revenue to the commissioner of human services for the purposes described in this clause
8.26 are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include,
8.27 but are not limited to, the dependent care credit under section 290.067, the Minnesota
8.28 working family credit under section 290.0671, the property tax refund and rental credit
8.29 under section 290A.04, and the Minnesota education credit under section 290.0674;

8.30 (9) between the Department of Human Services, the Department of Education, and
8.31 the Department of Employment and Economic Development for the purpose of monitoring
8.32 the eligibility of the data subject for unemployment benefits, for any employment or
8.33 training program administered, supervised, or certified by that agency, for the purpose of
8.34 administering any rehabilitation program or child care assistance program, whether alone
8.35 or in conjunction with the welfare system, or to monitor and evaluate the Minnesota

9.1 family investment program or the child care assistance program by exchanging data on
9.2 recipients and former recipients of food support, cash assistance under chapter 256, 256D,
9.3 256J, or 256K, child care assistance under chapter 119B, or medical programs under
9.4 chapter 256B, 256D, or 256L;

9.5 (10) to appropriate parties in connection with an emergency if knowledge of
9.6 the information is necessary to protect the health or safety of the individual or other
9.7 individuals or persons;

9.8 (11) data maintained by residential programs as defined in section 245A.02 may
9.9 be disclosed to the protection and advocacy system established in this state according
9.10 to Part C of Public Law 98-527 to protect the legal and human rights of persons with
9.11 developmental disabilities or other related conditions who live in residential facilities for
9.12 these persons if the protection and advocacy system receives a complaint by or on behalf
9.13 of that person and the person does not have a legal guardian or the state or a designee of
9.14 the state is the legal guardian of the person;

9.15 (12) to the county medical examiner or the county coroner for identifying or locating
9.16 relatives or friends of a deceased person;

9.17 (13) data on a child support obligor who makes payments to the public agency
9.18 may be disclosed to the Minnesota Office of Higher Education to the extent necessary to
9.19 determine eligibility under section 136A.121, subdivision 2, clause (5);

9.20 (14) participant Social Security numbers and names collected by the telephone
9.21 assistance program may be disclosed to the Department of Revenue to conduct an
9.22 electronic data match with the property tax refund database to determine eligibility under
9.23 section 237.70, subdivision 4a;

9.24 (15) the current address of a Minnesota family investment program participant
9.25 may be disclosed to law enforcement officers who provide the name of the participant
9.26 and notify the agency that:

9.27 (i) the participant:

9.28 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
9.29 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
9.30 jurisdiction from which the individual is fleeing; or

9.31 (B) is violating a condition of probation or parole imposed under state or federal law;

9.32 (ii) the location or apprehension of the felon is within the law enforcement officer's
9.33 official duties; and

9.34 (iii) the request is made in writing and in the proper exercise of those duties;

9.35 (16) the current address of a recipient of general assistance or general assistance
9.36 medical care may be disclosed to probation officers and corrections agents who are

10.1 supervising the recipient and to law enforcement officers who are investigating the
10.2 recipient in connection with a felony level offense;

10.3 (17) information obtained from food support applicant or recipient households may
10.4 be disclosed to local, state, or federal law enforcement officials, upon their written request,
10.5 for the purpose of investigating an alleged violation of the Food Stamp Act, according
10.6 to Code of Federal Regulations, title 7, section 272.1(c);

10.7 (18) the address, Social Security number, and, if available, photograph of any
10.8 member of a household receiving food support shall be made available, on request, to a
10.9 local, state, or federal law enforcement officer if the officer furnishes the agency with the
10.10 name of the member and notifies the agency that:

10.11 (i) the member:

10.12 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
10.13 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

10.14 (B) is violating a condition of probation or parole imposed under state or federal
10.15 law; or

10.16 (C) has information that is necessary for the officer to conduct an official duty related
10.17 to conduct described in subitem (A) or (B);

10.18 (ii) locating or apprehending the member is within the officer's official duties; and

10.19 (iii) the request is made in writing and in the proper exercise of the officer's official
10.20 duty;

10.21 (19) the current address of a recipient of Minnesota family investment program,
10.22 general assistance, general assistance medical care, or food support may be disclosed to
10.23 law enforcement officers who, in writing, provide the name of the recipient and notify the
10.24 agency that the recipient is a person required to register under section 243.166, but is not
10.25 residing at the address at which the recipient is registered under section 243.166;

10.26 (20) certain information regarding child support obligors who are in arrears may be
10.27 made public according to section 518A.74;

10.28 (21) data on child support payments made by a child support obligor and data on
10.29 the distribution of those payments excluding identifying information on obligees may be
10.30 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
10.31 actions undertaken by the public authority, the status of those actions, and data on the
10.32 income of the obligor or obligee may be disclosed to the other party;

10.33 (22) data in the work reporting system may be disclosed under section 256.998,
10.34 subdivision 7;

10.35 (23) to the Department of Education for the purpose of matching Department of
10.36 Education student data with public assistance data to determine students eligible for free

11.1 and reduced price meals, meal supplements, and free milk according to United States
11.2 Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and
11.3 state funds that are distributed based on income of the student's family; and to verify
11.4 receipt of energy assistance for the telephone assistance plan;

11.5 (24) the current address and telephone number of program recipients and emergency
11.6 contacts may be released to the commissioner of health or a local board of health as
11.7 defined in section 145A.02, subdivision 2, when the commissioner or local board of health
11.8 has reason to believe that a program recipient is a disease case, carrier, suspect case, or at
11.9 risk of illness, and the data are necessary to locate the person;

11.10 (25) to other state agencies, statewide systems, and political subdivisions of this
11.11 state, including the attorney general, and agencies of other states, interstate information
11.12 networks, federal agencies, and other entities as required by federal regulation or law for
11.13 the administration of the child support enforcement program;

11.14 (26) to personnel of public assistance programs as defined in section 256.741, for
11.15 access to the child support system database for the purpose of administration, including
11.16 monitoring and evaluation of those public assistance programs;

11.17 (27) to monitor and evaluate the Minnesota family investment program by
11.18 exchanging data between the Departments of Human Services and Education, on
11.19 recipients and former recipients of food support, cash assistance under chapter 256, 256D,
11.20 256J, or 256K, child care assistance under chapter 119B, or medical programs under
11.21 chapter 256B, 256D, or 256L;

11.22 (28) to evaluate child support program performance and to identify and prevent
11.23 fraud in the child support program by exchanging data between the Department of Human
11.24 Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a)
11.25 and (b), without regard to the limitation of use in paragraph (c), Department of Health,
11.26 Department of Employment and Economic Development, and other state agencies as is
11.27 reasonably necessary to perform these functions; or

11.28 (29) counties operating child care assistance programs under chapter 119B may
11.29 disseminate data on program participants, applicants, and providers to the commissioner
11.30 of education.

11.31 (b) Information on persons who have been treated for drug or alcohol abuse may
11.32 only be disclosed according to the requirements of Code of Federal Regulations, title
11.33 42, sections 2.1 to 2.67.

11.34 (c) Data provided to law enforcement agencies under paragraph (a), clause (15),
11.35 (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected

12.1 nonpublic while the investigation is active. The data are private after the investigation
12.2 becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

12.3 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is
12.4 not subject to the access provisions of subdivision 10, paragraph (b).

12.5 For the purposes of this subdivision, a request will be deemed to be made in writing
12.6 if made through a computer interface system.

12.7 Sec. 2. Minnesota Statutes 2006, section 16D.13, subdivision 3, is amended to read:

12.8 Subd. 3. **Exclusion.** A state agency may not charge interest under this section on
12.9 overpayments of assistance benefits under the programs formerly codified in sections
12.10 256.031 to 256.0361, 256.72 to 256.87, and under chapters 119B, 256D₂, and 256I, or the
12.11 federal food stamp program. Notwithstanding this prohibition, any debts that have been
12.12 reduced to judgment under these programs are subject to the interest charges provided
12.13 under section 549.09.

12.14 Sec. 3. Minnesota Statutes 2006, section 119B.125, subdivision 2, is amended to read:

12.15 Subd. 2. **Persons who cannot be authorized.** (a) A person who meets any of the
12.16 conditions under paragraphs (b) to (n) must not be authorized as a legal nonlicensed
12.17 family child care provider. To determine whether any of the listed conditions exist,
12.18 the county must request information about the provider from the Bureau of Criminal
12.19 Apprehension, the juvenile courts, and social service agencies. When one of the listed
12.20 entities does not maintain information on a statewide basis, the county must contact the
12.21 entity in the county where the provider resides and any other county in which the provider
12.22 previously resided in the past year. For purposes of this subdivision, a finding that a
12.23 delinquency petition is proven in juvenile court must be considered a conviction in state
12.24 district court. If a county has determined that a provider is able to be authorized in that
12.25 county, and a family in another county later selects that provider, the provider is able to
12.26 be authorized in the second county without undergoing a new background investigation
12.27 unless one of the following conditions exists:

12.28 (1) two years have passed since the first authorization;

12.29 (2) another person age 13 or older has joined the provider's household since the
12.30 last authorization;

12.31 (3) a current household member has turned 13 since the last authorization; or

12.32 (4) there is reason to believe that a household member has a factor that prevents
12.33 authorization.

13.1 (b) The person has been convicted of one of the following offenses or has admitted to
13.2 committing or a preponderance of the evidence indicates that the person has committed an
13.3 act that meets the definition of one of the following offenses: sections 609.185 to 609.195,
13.4 murder in the first, second, or third degree; 609.2661 to 609.2663, murder of an unborn
13.5 child in the first, second, or third degree; 609.322, solicitation, inducement, promotion
13.6 of prostitution, or receiving profit from prostitution; 609.342 to 609.345, criminal sexual
13.7 conduct in the first, second, third, or fourth degree; 609.352, solicitation of children to
13.8 engage in sexual conduct; 609.365, incest; 609.377, felony malicious punishment of a
13.9 child; 617.246, use of minors in sexual performance; 617.247, possession of pictorial
13.10 representation of a minor; 609.2242 to 609.2243, felony domestic assault; a felony offense
13.11 of spousal abuse; a felony offense of child abuse or neglect; a felony offense of a crime
13.12 against children; or an attempt or conspiracy to commit any of these offenses as defined in
13.13 Minnesota Statutes; or an offense in any other state or country where the elements are
13.14 substantially similar to any of the offenses listed in this paragraph.

13.15 (c) Less than 15 years have passed since the discharge of the sentence imposed for
13.16 the offense and the person has received a felony conviction for one of the following
13.17 offenses, or the person has admitted to committing or a preponderance of the evidence
13.18 indicates that the person has committed an act that meets the definition of a felony
13.19 conviction for one of the following offenses: sections 609.20 to 609.205, manslaughter in
13.20 the first or second degree; 609.21, criminal vehicular homicide; 609.215, aiding suicide
13.21 or aiding attempted suicide; 609.221 to 609.2231, assault in the first, second, third, or
13.22 fourth degree; 609.224, repeat offenses of fifth degree assault; 609.228, great bodily
13.23 harm caused by distribution of drugs; 609.2325, criminal abuse of a vulnerable adult;
13.24 609.2335, financial exploitation of a vulnerable adult; 609.235, use of drugs to injure or
13.25 facilitate a crime; 609.24, simple robbery; 617.241, repeat offenses of obscene materials
13.26 and performances; 609.245, aggravated robbery; 609.25, kidnapping; 609.255, false
13.27 imprisonment; 609.2664 to 609.2665, manslaughter of an unborn child in the first or
13.28 second degree; 609.267 to 609.2672, assault of an unborn child in the first, second, or third
13.29 degree; 609.268, injury or death of an unborn child in the commission of a crime; 609.27,
13.30 coercion; 609.275, attempt to coerce; 609.324, subdivision 1, other prohibited acts, minor
13.31 engaged in prostitution; 609.3451, repeat offenses of criminal sexual conduct in the fifth
13.32 degree; 609.378, neglect or endangerment of a child; 609.52, theft; 609.521, possession of
13.33 shoplifting gear; 609.561 to 609.563, arson in the first, second, or third degree; 609.582,
13.34 burglary in the first, second, third, or fourth degree; 609.625, aggravated forgery; 609.63,
13.35 forgery; 609.631, check forgery, offering a forged check; 609.635, obtaining signature
13.36 by false pretenses; 609.66, dangerous weapon; 609.665, setting a spring gun; 609.67,

14.1 unlawfully owning, possessing, or operating a machine gun; 609.687, adulteration; 609.71,
14.2 riot; 609.713, terrorist threats; 609.749, harassment, stalking; 260C.301, termination of
14.3 parental rights; 152.021 to 152.022 and 152.0262, controlled substance crime in the first
14.4 or second degree; 152.023, subdivision 1, clause (3) or (4), or 152.023, subdivision 2,
14.5 clause (4), controlled substance crime in third degree; 152.024, subdivision 1, clause
14.6 (2), (3), or (4), controlled substance crime in fourth degree; 617.23, repeat offenses of
14.7 indecent exposure; an attempt or conspiracy to commit any of these offenses as defined in
14.8 Minnesota Statutes; or an offense in any other state or country where the elements are
14.9 substantially similar to any of the offenses listed in this paragraph.

14.10 (d) Less than ten years have passed since the discharge of the sentence imposed for
14.11 the offense and the person has received a gross misdemeanor conviction for one of the
14.12 following offenses or the person has admitted to committing or a preponderance of the
14.13 evidence indicates that the person has committed an act that meets the definition of a gross
14.14 misdemeanor conviction for one of the following offenses: sections 609.224, fifth degree
14.15 assault; 609.2242 to 609.2243, domestic assault; 518B.01, subdivision 14, violation of
14.16 an order for protection; 609.3451, fifth degree criminal sexual conduct; 609.746, repeat
14.17 offenses of interference with privacy; 617.23, repeat offenses of indecent exposure;
14.18 617.241, obscene materials and performances; 617.243, indecent literature, distribution;
14.19 617.293, disseminating or displaying harmful material to minors; 609.71, riot; 609.66,
14.20 dangerous weapons; 609.749, harassment, stalking; 609.224, subdivision 2, paragraph
14.21 (c), fifth degree assault against a vulnerable adult by a caregiver; 609.23, mistreatment
14.22 of persons confined; 609.231, mistreatment of residents or patients; 609.2325, criminal
14.23 abuse of a vulnerable adult; 609.2335, financial exploitation of a vulnerable adult;
14.24 609.233, criminal neglect of a vulnerable adult; 609.234, failure to report maltreatment of
14.25 a vulnerable adult; 609.72, subdivision 3, disorderly conduct against a vulnerable adult;
14.26 609.265, abduction; 609.378, neglect or endangerment of a child; 609.377, malicious
14.27 punishment of a child; 609.324, subdivision 1a, other prohibited acts, minor engaged
14.28 in prostitution; 609.33, disorderly house; 609.52, theft; 609.582, burglary in the first,
14.29 second, third, or fourth degree; 609.631, check forgery, offering a forged check; 609.275,
14.30 attempt to coerce; an attempt or conspiracy to commit any of these offenses as defined in
14.31 Minnesota Statutes; or an offense in any other state or country where the elements are
14.32 substantially similar to any of the offenses listed in this paragraph.

14.33 (e) Less than seven years have passed since the discharge of the sentence imposed
14.34 for the offense and the person has received a misdemeanor conviction for one of the
14.35 following offenses or the person has admitted to committing or a preponderance of
14.36 the evidence indicates that the person has committed an act that meets the definition

15.1 of a misdemeanor conviction for one of the following offenses: sections 609.224, fifth
15.2 degree assault; 609.2242, domestic assault; 518B.01, violation of an order for protection;
15.3 609.3232, violation of an order for protection; 609.746, interference with privacy; 609.79,
15.4 obscene or harassing telephone calls; 609.795, letter, telegram, or package opening,
15.5 harassment; 617.23, indecent exposure; 609.2672, assault of an unborn child, third degree;
15.6 617.293, dissemination and display of harmful materials to minors; 609.66, dangerous
15.7 weapons; 609.665, spring guns; an attempt or conspiracy to commit any of these offenses
15.8 as defined in Minnesota Statutes; or an offense in any other state or country where the
15.9 elements are substantially similar to any of the offenses listed in this paragraph.

15.10 (f) The person has been identified by the child protection agency in the county where
15.11 the provider resides or a county where the provider has resided or by the statewide child
15.12 protection database as a person found by a preponderance of evidence under section
15.13 626.556 to be responsible for physical or sexual abuse of a child within the last seven years.

15.14 (g) The person has been identified by the adult protection agency in the county
15.15 where the provider resides or a county where the provider has resided or by the statewide
15.16 adult protection database as the person responsible for abuse or neglect of a vulnerable
15.17 adult within the last seven years.

15.18 (h) The person has refused to give written consent for disclosure of criminal history
15.19 records.

15.20 (i) The person has been denied a family child care license or has received a fine or a
15.21 sanction as a licensed child care provider that has not been reversed on appeal.

15.22 (j) The person has a family child care licensing disqualification that has not been
15.23 set aside.

15.24 (k) The person has admitted or a county has found that there is a preponderance of
15.25 evidence that fraudulent information was given to the county for child care assistance
15.26 application purposes or was used in submitting child care assistance bills for payment.

15.27 (l) The person has been convicted of the crime of theft by wrongfully obtaining
15.28 public assistance or has been found guilty of wrongfully obtaining public assistance by a
15.29 federal court, a state court, or an administrative hearing determination or waiver through a
15.30 disqualification consent agreement as part of an approved diversion plan under section
15.31 401.065, or a court-ordered stay with probationary or other conditions.

15.32 (m) The person has a household member age 13 or older who has access to children
15.33 during the hours that care is provided and who meets one of the conditions listed in
15.34 paragraphs (b) to (l).

15.35 (n) The person has a household member ages ten to 12 who has access to children
15.36 during the hours that care is provided; information or circumstances exist which provide

16.1 the county with articulable suspicion that further pertinent information may exist showing
16.2 the household member meets one of the conditions listed in paragraphs (b) to (l); and the
16.3 household member actually meets one of the conditions listed in paragraphs (b) to (l).

16.4 Sec. 4. Minnesota Statutes 2006, section 119B.13, subdivision 1, is amended to read:

16.5 Subdivision 1. **Subsidy restrictions.** (a) Beginning July 1, 2006, the maximum rate
16.6 paid for child care assistance in any county or multicounty region under the child care
16.7 fund shall be the rate for like-care arrangements in the county effective January 1, 2006,
16.8 increased by six percent.

16.9 (b) Rate changes shall be implemented for services provided in September 2006
16.10 unless a participant eligibility redetermination or a new provider agreement is completed
16.11 between July 1, 2006, and August 31, 2006.

16.12 As necessary, appropriate notice of adverse action must be made according to
16.13 Minnesota Rules, part 3400.0185, subparts 3 and 4.

16.14 New cases approved on or after July 1, 2006, shall have the maximum rates under
16.15 paragraph (a), implemented immediately.

16.16 (c) Not less than once every two years, the commissioner shall survey rates
16.17 charged by child care providers in Minnesota to determine the 75th percentile for
16.18 like-care arrangements in counties. When the commissioner determines that, using the
16.19 commissioner's established protocol, the number of providers responding to the survey is
16.20 too small to determine the 75th percentile rate for like-care arrangements in a county or
16.21 multicounty region, the commissioner may establish the 75th percentile maximum rate
16.22 based on like-care arrangements in a county, region, or category that the commissioner
16.23 deems to be similar.

16.24 (d) A rate which includes a special needs rate paid under subdivision 3 may be in
16.25 excess of the maximum rate allowed under this subdivision.

16.26 (e) The department shall monitor the effect of this paragraph on provider rates. The
16.27 county shall pay the provider's full charges for every child in care up to the maximum
16.28 established. The commissioner shall determine the maximum rate for each type of care on
16.29 an hourly, full-day, and weekly basis, including special needs and disability care.

16.30 (f) When the provider charge is greater than the maximum provider rate allowed,
16.31 the parent is responsible for payment of the difference in the rates in addition to any
16.32 family co-payment fee.

16.33 (g) All maximum provider rate changes must be implemented on the Monday
16.34 following the effective date of the maximum provider rate.

17.1 Sec. 5. Minnesota Statutes 2006, section 119B.13, subdivision 3a, is amended to read:

17.2 Subd. 3a. **Provider rate differential for accreditation.** A family child care
17.3 provider or child care center shall be paid a 15 percent differential above the maximum
17.4 rate established in subdivision 1, up to the actual provider rate, if the provider or center
17.5 holds a current early childhood development credential or is accredited. For a family
17.6 child care provider, early childhood development credential and accreditation includes
17.7 an individual who has earned a child development associate degree, a diploma in child
17.8 development from a Minnesota state technical college, or a bachelor's or postbaccalaureate
17.9 degree in early childhood education from an accredited college or university, or who
17.10 is accredited by the National Association for Family Child Care or the Competency
17.11 Based Training and Assessment Program. For a child care center, accreditation includes
17.12 accreditation by the National Association for the Education of Young Children, the
17.13 Council on Accreditation, the National Early Childhood Program Accreditation, the
17.14 National School-Age Care Association, or the National Head Start Association Program
17.15 of Excellence. For Montessori programs, accreditation includes the American Montessori
17.16 Society, Association of Montessori International-USA, or the National Center for
17.17 Montessori Education.

17.18 Sec. 6. Minnesota Statutes 2006, section 256.017, subdivision 1, is amended to read:

17.19 Subdivision 1. **Authority and purpose.** The commissioner shall administer a
17.20 compliance system for the Minnesota family investment program, the food stamp or food
17.21 support program, emergency assistance, general assistance, medical assistance, general
17.22 assistance medical care, emergency general assistance, Minnesota supplemental assistance,
17.23 preadmission screening, ~~and~~ alternative care grants, and the child care assistance program
17.24 under the powers and authorities named in section 256.01, subdivision 2. The purpose of
17.25 the compliance system is to permit the commissioner to supervise the administration of
17.26 public assistance programs and to enforce timely and accurate distribution of benefits,
17.27 completeness of service and efficient and effective program management and operations,
17.28 to increase uniformity and consistency in the administration and delivery of public
17.29 assistance programs throughout the state, and to reduce the possibility of sanctions and
17.30 fiscal disallowances for noncompliance with federal regulations and state statutes.

17.31 The commissioner shall utilize training, technical assistance, and monitoring
17.32 activities, as specified in section 256.01, subdivision 2, to encourage county agency
17.33 compliance with written policies and procedures.

17.34 Sec. 7. Minnesota Statutes 2006, section 256.017, subdivision 9, is amended to read:

18.1 Subd. 9. **Timing and disposition of penalty and case disallowance funds.** Quality
 18.2 control case penalty and administrative penalty amounts shall be disallowed or withheld
 18.3 from the next regular reimbursement made to the county agency for state and federal
 18.4 benefit reimbursements and federal administrative reimbursements for all programs
 18.5 covered in this section, according to procedures established in statute, but shall not be
 18.6 imposed sooner than 30 calendar days from the date of written notice of such penalties.
 18.7 Except for penalties withheld under the child care assistance program, all penalties
 18.8 must be deposited in the county incentive fund provided in section 256.018. Penalties
 18.9 withheld under the child care assistance program must be reallocated to counties using the
 18.10 allocation formula identified under section 119B.03, subdivision 5. All penalties must
 18.11 be imposed according to this provision until a decision is made regarding the status of
 18.12 a written exception. Penalties must be returned to county agencies when a review of a
 18.13 written exception results in a decision in their favor.

18.14 Sec. 8. Minnesota Statutes 2006, section 270B.14, subdivision 1, is amended to read:

18.15 Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request
 18.16 of the commissioner of human services, the commissioner shall disclose return information
 18.17 regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to
 18.18 the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

18.19 (b) Data that may be disclosed are limited to data relating to the identity,
 18.20 whereabouts, employment, income, and property of a person owing or alleged to be owing
 18.21 an obligation of child support.

18.22 (c) The commissioner of human services may request data only for the purposes of
 18.23 carrying out the child support enforcement program and to assist in the location of parents
 18.24 who have, or appear to have, deserted their children. Data received may be used only
 18.25 as set forth in section 256.978.

18.26 (d) The commissioner shall provide the records and information necessary to
 18.27 administer the supplemental housing allowance to the commissioner of human services.

18.28 (e) At the request of the commissioner of human services, the commissioner of
 18.29 revenue shall electronically match the Social Security numbers and names of participants
 18.30 in the telephone assistance plan operated under sections 237.69 to 237.711, with those of
 18.31 property tax refund filers, and determine whether each participant's household income is
 18.32 within the eligibility standards for the telephone assistance plan.

18.33 (f) The commissioner may provide records and information collected under sections
 18.34 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid
 18.35 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law

19.1 102-234. Upon the written agreement by the United States Department of Health and
19.2 Human Services to maintain the confidentiality of the data, the commissioner may provide
19.3 records and information collected under sections 295.50 to 295.59 to the Centers for
19.4 Medicare and Medicaid Services section of the United States Department of Health and
19.5 Human Services for purposes of meeting federal reporting requirements.

19.6 (g) The commissioner may provide records and information to the commissioner of
19.7 human services as necessary to administer the early refund of refundable tax credits.

19.8 (h) The commissioner may disclose information to the commissioner of human
19.9 services necessary to verify income for eligibility and premium payment under the
19.10 MinnesotaCare program, under section 256L.05, subdivision 2.

19.11 (i) The commissioner may disclose information to the commissioner of human
19.12 services necessary to verify whether applicants or recipients for the Minnesota family
19.13 investment program, general assistance, food support, ~~and~~ Minnesota supplemental aid
19.14 program, and the child care assistance program have claimed refundable tax credits
19.15 under chapter 290 and the property tax refund under chapter 290A, and the amounts
19.16 of the credits.

19.17 Sec. 9. **REPEALER.**

19.18 Minnesota Statutes 2006, section 119B.08, subdivision 4, is repealed.