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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **3253**

February 19, 2008

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to human services; modifying TANF maintenance of effort programs;  
1.3 amending Laws 2007, chapter 147, article 19, section 3, subdivision 1.

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

1.5 Section 1. Laws 2007, chapter 147, article 19, section 3, subdivision 1, is amended to  
1.6 read:

1.7 Subdivision 1. **Total Appropriation** \$ 5,294,627,000 \$ 5,695,458,000

1.8 Appropriations by Fund			
	1.9 2008		2009
1.10 General	4,614,727,000	4,940,293,000	
1.11 State Government			
1.12 Special Revenue	549,000	565,000	
1.13 Health Care Access	426,628,000	492,759,000	
1.14 Federal TANF	250,537,000	260,051,000	
1.15 Lottery Prize Fund	2,185,000	1,790,000	

1.16 The amounts that may be spent for each  
1.17 purpose are specified in the following  
1.18 subdivisions.

1.19 **Receipts for Systems Projects.**  
1.20 Appropriations and federal receipts for  
1.21 information system projects for MAXIS,  
1.22 PRISM, MMIS, and SSIS must be deposited  
1.23 in the state system account authorized in  
1.24 Minnesota Statutes, section 256.014. Money

2.1 appropriated for computer projects approved  
2.2 by the Minnesota Office of Enterprise  
2.3 Technology, funded by the legislature, and  
2.4 approved by the commissioner of finance,  
2.5 may be transferred from one project to  
2.6 another and from development to operations  
2.7 as the commissioner of human services  
2.8 considers necessary. Any unexpended  
2.9 balance in the appropriation for these  
2.10 projects does not cancel but is available for  
2.11 ongoing development and operations.

2.12 **Pay for Performance.** (a) Of the general  
2.13 fund appropriation, \$272,000 each year  
2.14 is available to the commissioner of  
2.15 human services only under the following  
2.16 circumstances:

2.17 (1) \$272,000 shall be made available by the  
2.18 commissioner of finance on January 1, 2009,  
2.19 only after notification by the commissioner  
2.20 of human services to the commissioner of  
2.21 finance and to the chairs of the relevant house  
2.22 of representatives and senate finance and  
2.23 policy committees that the average number  
2.24 of days from the receipt of a MinnesotaCare  
2.25 application at the state processing unit until  
2.26 the initial eligibility determination of the  
2.27 application was 30 days or less during the  
2.28 period October 1, 2007, to September 30,  
2.29 2008. Applications transferred from counties  
2.30 to the state processing unit are excluded from  
2.31 this calculation; and

2.32 (2) \$272,000 shall be made available by the  
2.33 commissioner of finance on January 1, 2009,  
2.34 only after notification by the commissioner  
2.35 of human services to the commissioner of

3.1 finance and to the chairs of the relevant  
3.2 house of representatives and senate finance  
3.3 and policy committees that the commissioner  
3.4 initiated a separate treatment program for  
3.5 persons in the Minnesota sex offenders  
3.6 program who are between the ages of 18 and  
3.7 25 by January 1, 2008.

3.8 (b) Regardless of whether these  
3.9 appropriations are made available to  
3.10 the commissioner of human services, they  
3.11 shall be part of base level funding for the  
3.12 biennium beginning July 1, 2009.

3.13 **Purchasing Alliance Fund Transfer.**

3.14 On September 1, 2007, any remaining  
3.15 balance in the purchasing alliance stop-loss  
3.16 fund account established under Minnesota  
3.17 Statutes, section 256.956, shall transfer to  
3.18 the general fund.

3.19 **Nonfederal Share Transfers.** The  
3.20 nonfederal share of activities for which  
3.21 federal administrative reimbursement is  
3.22 appropriated to the commissioner may be  
3.23 transferred to the special revenue fund.

3.24 **TANF Maintenance of Effort.** (a) In order  
3.25 to meet the basic MOE requirements of the  
3.26 TANF block grant specified under Code  
3.27 of Federal Regulations, title 45, section  
3.28 263.1, the commissioner may only report  
3.29 nonfederal money expended for allowable  
3.30 activities listed in the following clauses as  
3.31 TANF/MOE expenditures:

3.32 (1) MFIP cash, diversionary work program,  
3.33 and food assistance benefits under Minnesota  
3.34 Statutes, chapter 256J;

- 4.1 (2) the child care assistance programs  
4.2 under Minnesota Statutes, sections 119B.03  
4.3 and 119B.05, and county child care  
4.4 administrative costs under Minnesota  
4.5 Statutes, section 119B.15;
- 4.6 (3) state and county MFIP administrative  
4.7 costs under Minnesota Statutes, chapters  
4.8 256J and 256K;
- 4.9 (4) state, county, and tribal MFIP  
4.10 employment services under Minnesota  
4.11 Statutes, chapters 256J and 256K;
- 4.12 (5) expenditures made on behalf of  
4.13 noncitizen MFIP recipients who qualify  
4.14 for ~~the~~ medical assistance without federal  
4.15 financial participation program under  
4.16 Minnesota Statutes, section 256B.06,  
4.17 subdivision 4, paragraphs (d), (e), and (j);  
4.18 and
- 4.19 (6) qualifying working family credit  
4.20 expenditures under Minnesota Statutes,  
4.21 section 290.0671.
- 4.22 (b) The commissioner shall ensure that  
4.23 sufficient qualified nonfederal expenditures  
4.24 are made each year to meet the state's  
4.25 TANF/MOE requirements. For the activities  
4.26 listed in paragraph (a), clauses (2) to  
4.27 (6), the commissioner may only report  
4.28 expenditures that are excluded from the  
4.29 definition of assistance under Code of  
4.30 Federal Regulations, title 45, section 260.31.
- 4.31 (c) The commissioner shall ensure that the  
4.32 MOE used by the commissioner of finance  
4.33 for the February and November forecasts  
4.34 required under Minnesota Statutes, section  
4.35 16A.103, contains expenditures under

5.1 paragraph (a), clause (1), equal to at least 16  
5.2 percent of the total required under Code of  
5.3 Federal Regulations, title 45, section 263.1.

5.4 (d) For the federal fiscal year beginning  
5.5 October 1, 2007, the commissioner may not  
5.6 claim an amount of TANF/MOE in excess of  
5.7 the 75 percent standard in Code of Federal  
5.8 Regulations, title 45, section 263.1(a)(2),  
5.9 except:

5.10 (1) to the extent necessary to meet the 80  
5.11 percent standard under Code of Federal  
5.12 Regulations, title 45, section 263.1(a)(1),  
5.13 if it is determined by the commissioner  
5.14 that the state will not meet the TANF work  
5.15 participation target rate for the current year;

5.16 (2) to provide any additional amounts under  
5.17 Code of Federal Regulations, title 45, section  
5.18 264.5, that relate to replacement of TANF  
5.19 funds due to the operation of TANF penalties;

5.20 (3) to provide any additional amounts that  
5.21 may contribute to avoiding or reducing  
5.22 TANF work participation penalties through  
5.23 the operation of the excess MOE provisions  
5.24 of Code of Federal Regulations, title 45,  
5.25 section 261.43(a)(2); and

5.26 (4) for the purposes of paragraphs (a) to  
5.27 (c), the commissioner may supplement the  
5.28 MOE claim with working family credit  
5.29 expenditures to the extent such expenditures  
5.30 are otherwise available after considering the  
5.31 expenditures allowed in this section.

5.32 (e) If allowable by the federal Office of  
5.33 Family Assistance, the commissioner may  
5.34 claim excess MOE with respect to federal  
5.35 fiscal years 2006 and 2007 to the extent

6.1 that working family credit expenditures are  
6.2 otherwise available to supplement the state's  
6.3 MOE claim for those years after considering  
6.4 the expenditures allowed in this subdivision,  
6.5 this section, and Laws 2006, chapter 282,  
6.6 article 22, section 2, subdivision 7.

6.7 (f) Minnesota Statutes, section 256.011,  
6.8 subdivision 3, which requires that federal  
6.9 grants or aids secured or obtained under that  
6.10 subdivision be used to reduce any direct  
6.11 appropriations provided by law, does not  
6.12 apply if the grants or aids are federal TANF  
6.13 funds.

6.14 ~~(e)~~ (g) Notwithstanding any contrary  
6.15 provision in this article, this rider expires  
6.16 June 30, 2011.

6.17 **Working Family Credit Expenditures as**  
6.18 **TANF/MOE.** The commissioner may claim  
6.19 as TANF/MOE up to \$6,707,000 per year  
6.20 for fiscal year 2008 through fiscal year 2011.  
6.21 Notwithstanding any contrary provision in  
6.22 this article, this rider expires June 30, 2011.

6.23 **Additional Working Family Credit**  
6.24 **Expenditures to be Claimed for**  
6.25 **TANF/MOE.** In addition to the amounts  
6.26 provided in this section, the commissioner  
6.27 may count the following amounts of working  
6.28 family credit expenditure as TANF/MOE:

6.29 (1) fiscal year 2008, \$11,097,000;

6.30 (2) fiscal year 2009, \$25,401,000;

6.31 (3) fiscal year 2010, \$20,398,000; and

6.32 (4) fiscal year 2011, \$19,841,000.

6.33 Notwithstanding any contrary provision in  
6.34 this article, this rider expires June 30, 2011.

7.1 **Capitation Rate Increase.** Of the health care  
7.2 access fund appropriations to the University  
7.3 of Minnesota in the higher education  
7.4 omnibus appropriation bill, \$2,157,000 in  
7.5 fiscal year 2008 and \$2,157,000 in fiscal year  
7.6 2009 are to be used to increase the capitation  
7.7 payments under Minnesota Statutes, section  
7.8 256B.69.