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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **3801**

March 4, 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; increasing the appropriation for child support
1.3 enforcement; requiring an annual appropriation for child support incentives;
1.4 amending Minnesota Statutes 2006, section 256.979, subdivision 11; Laws 2007,
1.5 chapter 147, article 19, section 3, subdivision 4.

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

1.7 Section 1. Minnesota Statutes 2006, section 256.979, subdivision 11, is amended to
1.8 read:

1.9 Subd. 11. **Federal child support incentives.** (a) The commissioner of human
1.10 services shall distribute to the counties the earned federal child support incentive payments
1.11 using the methodology specified in Title IV-D of the Social Security Act and applicable
1.12 federal regulations for earning federal incentives by the states except for the paternity
1.13 portion of the incentive. The commissioner shall distribute the federal paternity incentive
1.14 earned using the IV-D paternity establishment percentage. The commissioner shall follow
1.15 the federal transition plans in distributing the incentives to the counties. The commissioner
1.16 shall distribute to the county child support agency estimated federal incentive payments
1.17 within 60 days after the end of each calendar quarter. The commissioner shall issue actual
1.18 federal incentive payments to the county agency within 60 days of receiving the final
1.19 federal incentive grant award from the federal agency.

1.20 (b) The county child support agency shall reinvest incentive funds disbursed under
1.21 this section in the county child support enforcement program. These funds may not be
1.22 used by a county to reduce funding of the child support enforcement program by the
1.23 amount of the incentive earned below the base amount allowed under the applicable
1.24 federal regulations. The county agency shall maintain a record of incentives earned and

2.1 expended according to a procedure approved by the commissioner. The county agency
2.2 shall repay any incentive erroneously issued.

2.3 (c) Each calendar year, the commissioner of human services shall distribute to
2.4 the counties an amount of funds the counties would have received as federal financial
2.5 participation for expenditure of the federal child support incentives earned by each county.
2.6 The legislature shall appropriate sufficient funds to the commissioner of human services
2.7 each state fiscal year to make this distribution.

2.8 **EFFECTIVE DATE.** This section is effective January 1, 2009.

2.9 Sec. 2. Laws 2007, chapter 147, article 19, section 3, subdivision 4, is amended to read:

2.10 Subd. 4. **Children and Economic Assistance**
2.11 **Grants**

2.12 The amounts that may be spent from this
2.13 appropriation for each purpose are as follows:

2.14 (a) **MFIP/DWP Grants**

	Appropriations by Fund	
2.15		
2.16	General	62,069,000 62,405,000
2.17	Federal TANF	75,904,000 80,841,000

2.18 (b) **Support Services Grants**

	Appropriations by Fund	
2.19		
2.20	General	8,715,000 8,715,000
2.21	Federal TANF	113,429,000 115,902,000

2.22 **TANF Prior Appropriation Cancellation.**

2.23 Notwithstanding Laws 2001, First Special
2.24 Session chapter 9, article 17, section
2.25 2, subdivision 11, paragraph (b), any
2.26 unexpended TANF funds appropriated to the
2.27 commissioner to contract with the Board of
2.28 Trustees of Minnesota State Colleges and
2.29 Universities, to provide tuition waivers to
2.30 employees of health care and human service
2.31 providers that are members of qualifying
2.32 consortia operating under Minnesota
2.33 Statutes, sections 116L.10 to 116L.15, must
2.34 cancel at the end of fiscal year 2007.

3.1 **MFIP Pilot Program.** Of the TANF
3.2 appropriation, \$100,000 in fiscal year 2008
3.3 and \$750,000 in fiscal year 2009 are for a
3.4 grant to the Stearns-Benton Employment and
3.5 Training Council for the Workforce U pilot
3.6 program. Base level funding for this program
3.7 shall be \$750,000 in 2010 and \$0 in 2011.

3.8 **Supported Work.** (1) Of the TANF
3.9 appropriation, \$5,468,000 in fiscal year
3.10 2008 and \$7,291,000 in fiscal year
3.11 2009 are for supported work for MFIP
3.12 participants, to be allocated to counties
3.13 and tribes based on the criteria under
3.14 clauses (2) and (3). Paid transitional work
3.15 experience and other supported employment
3.16 under this rider provides a continuum of
3.17 employment assistance, including outreach
3.18 and recruitment, program orientation
3.19 and intake, testing and assessment, job
3.20 development and marketing, preworksite
3.21 training, supported worksite experience, job
3.22 coaching, and postplacement follow-up, in
3.23 addition to extensive case management and
3.24 referral services. * (The preceding text "and
3.25 \$7,291,000 in fiscal year 2009" was indicated
3.26 as vetoed by the governor.)

3.27 (2) A county or tribe is eligible to receive an
3.28 allocation under this rider if:

3.29 (i) the county or tribe is not meeting the
3.30 federal work participation rate;

3.31 (ii) the county or tribe has participants who
3.32 are required to perform work activities under
3.33 Minnesota Statutes, chapter 256J, but are not
3.34 meeting hourly work requirements; and

4.1 (iii) the county or tribe has assessed
4.2 participants who have completed six weeks
4.3 of job search or are required to perform
4.4 work activities and are not meeting the
4.5 hourly requirements, and the county or tribe
4.6 has determined that the participant would
4.7 benefit from working in a supported work
4.8 environment.

4.9 (3) A county or tribe may also be eligible for
4.10 funds in order to contract for supplemental
4.11 hours of paid work at the participant's child's
4.12 place of education, child care location, or the
4.13 child's physical or mental health treatment
4.14 facility or office. This grant to counties and
4.15 tribes is specifically for MFIP participants
4.16 who need to work up to five hours more
4.17 per week in order to meet the hourly work
4.18 requirement, and the participant's employer
4.19 cannot or will not offer more hours to the
4.20 participant.

4.21 **Work Study.** Of the TANF appropriation,
4.22 \$750,000 each year are to the commissioner
4.23 to contract with the Minnesota Office of
4.24 Higher Education for the biennium beginning
4.25 July 1, 2007, for work study grants under
4.26 Minnesota Statutes, section 136A.233,
4.27 specifically for low-income individuals who
4.28 receive assistance under Minnesota Statutes,
4.29 chapter 256J, and for grants to opportunities
4.30 industrialization centers. * (The preceding
4.31 text beginning "Work Study. Of the TANF
4.32 appropriation," was indicated as vetoed by
4.33 the governor.)

4.34 **Integrated Service Projects.** \$2,500,000
4.35 in fiscal year 2008 and \$2,500,000 in fiscal

5.1 year 2009 are appropriated from the TANF
 5.2 fund to the commissioner to continue to
 5.3 fund the existing integrated services projects
 5.4 for MFIP families, and if funding allows,
 5.5 additional similar projects.

5.6 **Base Adjustment.** The TANF base for fiscal
 5.7 year 2010 is \$115,902,000 and for fiscal year
 5.8 2011 is \$115,152,000.

5.9 **(c) MFIP Child Care Assistance Grants**

5.10	General	74,654,000	71,951,000
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5.11 **(d) Basic Sliding Fee Child Care Assistance**
 5.12 **Grants**

5.13	General	42,995,000	45,008,000
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5.14 **Base Adjustment.** The general fund base
 5.15 is \$44,881,000 for fiscal year 2010 and
 5.16 \$44,852,000 for fiscal year 2011.

5.17 **At-Home Infant Care Program.** No
 5.18 funding shall be allocated to or spent on
 5.19 the at-home infant care program under
 5.20 Minnesota Statutes, section 119B.035.

5.21 **(e) Child Care Development Grants**

5.22	General	4,390,000	6,390,000
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5.23 **Prekindergarten Exploratory Projects.** Of
 5.24 the general fund appropriation, \$2,000,000
 5.25 the first year and \$4,000,000 the second
 5.26 year are for grants to the city of St. Paul,
 5.27 Hennepin County, and Blue Earth County to
 5.28 establish scholarship demonstration projects
 5.29 to be conducted in partnership with the
 5.30 Minnesota Early Learning Foundation to
 5.31 promote children's school readiness. This
 5.32 appropriation is available until June 30, 2009.

6.1 **Child Care Services Grants.** Of this
 6.2 appropriation, \$500,000 each year are for
 6.3 the purpose of providing child care services
 6.4 grants under Minnesota Statutes, section
 6.5 119B.21, subdivision 5. This appropriation
 6.6 is for the 2008-2009 biennium only, and does
 6.7 not increase the base funding.

6.8 **Early Childhood Professional**
 6.9 **Development System.** Of this appropriation,
 6.10 \$500,000 each year are for purposes of the
 6.11 early childhood professional development
 6.12 system, which increases the quality and
 6.13 continuum of professional development
 6.14 opportunities for child care practitioners.
 6.15 This appropriation is for the 2008-2009
 6.16 biennium only, and does not increase the
 6.17 base funding.

6.18 **Base Adjustment.** The general fund base
 6.19 is \$1,515,000 for each of fiscal years 2010
 6.20 and 2011.

6.21 **(f) Child Support Enforcement Grants**

6.22	General	11,038,000	3,705,000
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6.23 **Child Support Enforcement.** \$7,333,000
 6.24 for fiscal year 2008 and \$8,000,000 for fiscal
 6.25 year 2009 ~~is~~ are to make grants to counties
 6.26 for child support enforcement programs to
 6.27 make up for the loss under the 2005 federal
 6.28 Deficit Reduction Act of federal matching
 6.29 funds for federal incentive funds passed on
 6.30 to the counties by the state.

6.31 This appropriation is available until June 30,
 6.32 ~~2009~~ 2010, and is added to the agency's base.

6.33 **(g) Children's Services Grants**

7.1	Appropriations by Fund		
7.2	General	63,647,000	71,147,000
7.3	Health Care Access	250,000	-0-
7.4	TANF	240,000	340,000

7.5 **Grants for Programs Serving Young**

7.6 **Parents.** Of the TANF fund appropriation,
 7.7 \$140,000 each year is for a grant to a program
 7.8 or programs that provide comprehensive
 7.9 services through a private, nonprofit agency
 7.10 to young parents in Hennepin County who
 7.11 have dropped out of school and are receiving
 7.12 public assistance. The program administrator
 7.13 shall report annually to the commissioner on
 7.14 skills development, education, job training,
 7.15 and job placement outcomes for program
 7.16 participants.

7.17 **County Allocations for Rate Increases.**

7.18 County Children and Community Services
 7.19 Act allocations shall be increased by
 7.20 \$197,000 effective October 1, 2007, and
 7.21 \$696,000 effective October 1, 2008, to help
 7.22 counties pay for the rate adjustments to
 7.23 day training and habilitation providers for
 7.24 participants paid by county social service
 7.25 funds. Notwithstanding the provisions of
 7.26 Minnesota Statutes, section 256M.40, the
 7.27 allocation to a county shall be based on
 7.28 the county's proportion of social services
 7.29 spending for day training and habilitation
 7.30 services as determined in the most recent
 7.31 social services expenditure and grant
 7.32 reconciliation report.

7.33 **Privatized Adoption Grants.** Federal
 7.34 reimbursement for privatized adoption grant
 7.35 and foster care recruitment grant expenditures
 7.36 is appropriated to the commissioner for

8.1 adoption grants and foster care and adoption
8.2 administrative purposes.

8.3 **Adoption Assistance Incentive Grants.**

8.4 Federal funds available during fiscal year
8.5 2008 and fiscal year 2009 for the adoption
8.6 incentive grants are appropriated to the
8.7 commissioner for these purposes.

8.8 **Adoption Assistance and Relative Custody**

8.9 **Assistance.** The commissioner may transfer
8.10 unencumbered appropriation balances for
8.11 adoption assistance and relative custody
8.12 assistance between fiscal years and between
8.13 programs.

8.14 **Children's Mental Health Grants.** Of the
8.15 general fund appropriation, \$5,913,000 in
8.16 fiscal year 2008 and \$6,825,000 in fiscal year
8.17 2009 are for children's mental health grants.

8.18 The purpose of these grants is to increase and
8.19 maintain the state's children's mental health
8.20 service capacity, especially for school-based
8.21 mental health services. The commissioner
8.22 shall require grantees to utilize all available
8.23 third party reimbursement sources as a
8.24 condition of using state grant funds. At
8.25 least 15 percent of these funds shall be
8.26 used to encourage efficiencies through early
8.27 intervention services. At least another 15
8.28 percent shall be used to provide respite care
8.29 services for children with severe emotional
8.30 disturbance at risk of out-of-home placement.

8.31 **Mental Health Crisis Services.** Of the
8.32 general fund appropriation, \$2,528,000 in
8.33 fiscal year 2008 and \$2,850,000 in fiscal year
8.34 2009 are for statewide funding of children's

9.1 mental health crisis services. Providers must
9.2 utilize all available funding streams.

9.3 **Children's Mental Health Evidence-Based**
9.4 **and Best Practices.** Of the general fund
9.5 appropriation, \$375,000 in fiscal year 2008
9.6 and \$750,000 in fiscal year 2009 are for
9.7 children's mental health evidence-based and
9.8 best practices including, but not limited
9.9 to: Adolescent Integrated Dual Diagnosis
9.10 Treatment services; school-based mental
9.11 health services; co-location of mental
9.12 health and physical health care, and; the
9.13 use of technological resources to better
9.14 inform diagnosis and development of
9.15 treatment plan development by mental
9.16 health professionals. The commissioner
9.17 shall require grantees to utilize all available
9.18 third-party reimbursement sources as a
9.19 condition of using state grant funds.

9.20 **Culturally Specific Mental Health**
9.21 **Treatment Grants.** Of the general fund
9.22 appropriation, \$75,000 in fiscal year 2008
9.23 and \$300,000 in fiscal year 2009 are for
9.24 children's mental health grants to support
9.25 increased availability of mental health
9.26 services for persons from cultural and
9.27 ethnic minorities within the state. The
9.28 commissioner shall use at least 20 percent
9.29 of these funds to help members of cultural
9.30 and ethnic minority communities to become
9.31 qualified mental health professionals and
9.32 practitioners. The commissioner shall assist
9.33 grantees to meet third-party credentialing
9.34 requirements and require them to utilize all
9.35 available third-party reimbursement sources
9.36 as a condition of using state grant funds.

10.1 **Mental Health Services for Children with**
 10.2 **Special Treatment Needs.** Of the general
 10.3 fund appropriation, \$50,000 in fiscal year
 10.4 2008 and \$200,000 in fiscal year 2009 are
 10.5 for children's mental health grants to support
 10.6 increased availability of mental health
 10.7 services for children with special treatment
 10.8 needs. These shall include, but not be limited
 10.9 to: victims of trauma, including children
 10.10 subjected to abuse or neglect, veterans and
 10.11 their families, and refugee populations;
 10.12 persons with complex treatment needs, such
 10.13 as eating disorders; and those with low
 10.14 incidence disorders.

10.15 **MFIP and Children's Mental Health**
 10.16 **Pilot Project.** Of the TANF appropriation,
 10.17 \$100,000 in fiscal year 2008 and \$200,000
 10.18 in fiscal year 2009 are to fund the MFIP
 10.19 and children's mental health pilot project.
 10.20 Of these amounts, up to \$100,000 may be
 10.21 expended on evaluation of this pilot.

10.22 **Prenatal Alcohol or Drug Use.** Of the
 10.23 general fund appropriation, \$75,000 each
 10.24 year is to award grants beginning July 1,
 10.25 2007, to programs that provide services
 10.26 under Minnesota Statutes, section 254A.171,
 10.27 in Pine, Kanabec, and Carlton Counties. This
 10.28 appropriation shall become part of the base
 10.29 appropriation.

10.30 **Base Adjustment.** The general fund base
 10.31 is \$62,572,000 in fiscal year 2010 and
 10.32 \$62,575,000 in fiscal year 2011.

10.33 **(h) Children and Community Services Grants**

10.34 General 101,369,000 69,208,000

11.1 **Base Adjustment.** The general fund base
11.2 is \$69,274,000 in each of fiscal years 2010
11.3 and 2011.

11.4 **Targeted Case Management Temporary**
11.5 **Funding.** (a) Of the general fund
11.6 appropriation, \$32,667,000 in fiscal year
11.7 2008 is transferred to the targeted case
11.8 management contingency reserve account in
11.9 the general fund to be allocated to counties
11.10 and tribes affected by reductions in targeted
11.11 case management federal Medicaid revenue
11.12 as a result of the provisions in the federal
11.13 Deficit Reduction Act of 2005, Public Law
11.14 109-171.

11.15 (b) Contingent upon (1) publication by the
11.16 federal Centers for Medicare and Medicaid
11.17 Services of final regulations implementing
11.18 the targeted case management provisions
11.19 of the federal Deficit Reduction Act of
11.20 2005, Public Law 109-171, or (2) the
11.21 issuance of a finding by the Centers for
11.22 Medicare and Medicaid Services of federal
11.23 Medicaid overpayments for targeted case
11.24 management expenditures, up to \$32,667,000
11.25 is appropriated to the commissioner of human
11.26 services. Prior to distribution of funds, the
11.27 commissioner shall estimate and certify the
11.28 amount by which the federal regulations or
11.29 federal disallowance will reduce targeted
11.30 case management Medicaid revenue over the
11.31 2008-2009 biennium.

11.32 (c) Within 60 days of a contingency described
11.33 in paragraph (b), the commissioner shall
11.34 distribute the grants proportionate to each
11.35 affected county or tribe's targeted case

12.1 management federal earnings for calendar
 12.2 year 2005, not to exceed the lower of (1) the
 12.3 amount of the estimated reduction in federal
 12.4 revenue or (2) \$32,667,000.

12.5 (d) These funds are available in either year of
 12.6 the biennium. Counties and tribes shall use
 12.7 these funds to pay for social service-related
 12.8 costs, but the funds are not subject to
 12.9 provisions of the Children and Community
 12.10 Services Act grant under Minnesota Statutes,
 12.11 chapter 256M.

12.12 (e) This appropriation shall be available to
 12.13 pay counties and tribes for expenses incurred
 12.14 on or after July 1, 2007. The appropriation
 12.15 shall be available until expended.

12.16 **(i) General Assistance Grants**

12.17	General	37,876,000	38,253,000
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12.18 **General Assistance Standard.** The
 12.19 commissioner shall set the monthly standard
 12.20 of assistance for general assistance units
 12.21 consisting of an adult recipient who is
 12.22 childless and unmarried or living apart
 12.23 from parents or a legal guardian at \$203.

12.24 The commissioner may reduce this amount
 12.25 according to Laws 1997, chapter 85, article
 12.26 3, section 54.

12.27 **Emergency General Assistance.** The
 12.28 amount appropriated for emergency general
 12.29 assistance funds is limited to no more
 12.30 than \$7,889,812 in fiscal year 2008 and
 12.31 \$7,889,812 in fiscal year 2009. Funds
 12.32 to counties must be allocated by the
 12.33 commissioner using the allocation method
 12.34 specified in Minnesota Statutes, section
 12.35 256D.06.

13.1 **(j) Minnesota Supplemental Aid Grants**

13.2 General 30,505,000 30,812,000

13.3 **Emergency Minnesota Supplemental**

13.4 **Aid Funds.** The amount appropriated for

13.5 emergency Minnesota supplemental aid

13.6 funds is limited to no more than \$1,100,000

13.7 in fiscal year 2008 and \$1,100,000 in fiscal

13.8 year 2009. Funds to counties must be

13.9 allocated by the commissioner using the

13.10 allocation method specified in Minnesota

13.11 Statutes, section 256D.46.

13.12 **(k) Group Residential Housing Grants**

13.13 General 91,069,000 98,671,000

13.14 **People Incorporated.** Of the general fund

13.15 appropriation, \$460,000 each year is to

13.16 augment community support and mental

13.17 health services provided to individuals

13.18 residing in facilities under Minnesota

13.19 Statutes, section 256I.05, subdivision 1m.

13.20 **(l) Other Children and Economic Assistance**

13.21 **Grants**

13.22 General 20,183,000 16,333,000

13.23 Federal TANF 1,500,000 1,500,000

13.24 **Base Adjustment.** The general fund base

13.25 shall be \$16,033,000 in fiscal year 2010 and

13.26 \$15,533,000 in fiscal year 2011. The TANF

13.27 base shall be \$1,500,000 in fiscal year 2010

13.28 and \$1,181,000 in fiscal year 2011.

13.29 **Homeless and Runaway Youth.** Of the

13.30 general fund appropriation, \$500,000 each

13.31 year are for the Runaway and Homeless

13.32 Youth Act under Minnesota Statutes, section

13.33 256K.45. Funds shall be spent in each area

13.34 of the continuum of care to ensure that

14.1 programs are meeting the greatest need. This
14.2 is a onetime appropriation.

14.3 **Long-Term Homelessness.** Of the general
14.4 fund appropriation, \$1,500,000 each year are
14.5 for implementation of programs to address
14.6 long-term homelessness. This is a onetime
14.7 appropriation.

14.8 **Minnesota Community Action Grants.** (a)
14.9 Of the general fund appropriation, \$250,000
14.10 each year is for the purposes of Minnesota
14.11 community action grants under Minnesota
14.12 Statutes, sections 256E.30 to 256E.32. This
14.13 is a onetime appropriation.

14.14 (b) Of the TANF appropriation, \$1,500,000
14.15 each year is for community action agencies
14.16 for auto repairs, auto loans, and auto purchase
14.17 grants to individuals who are eligible to
14.18 receive benefits under Minnesota Statutes,
14.19 chapter 256J, or who have lost eligibility
14.20 for benefits under Minnesota Statutes,
14.21 chapter 256J, due to earnings in the prior 12
14.22 months. Base level funding for this activity
14.23 shall be \$1,500,000 in fiscal year 2010
14.24 and \$1,181,000 in fiscal year 2011. * (The
14.25 preceding text beginning "(b) Of the TANF
14.26 appropriation," was indicated as vetoed by
14.27 the governor.)

14.28 (c) Money appropriated under paragraphs (a)
14.29 and (b) that is not spent in the first year does
14.30 not cancel but is available for the second
14.31 year.