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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-SIXTH  
SESSION**

**HOUSE FILE No. 1361**

March 5, 2009

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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; repealing prenatal alcohol or drug use prevention  
1.3 appropriation; amending Laws 2007, chapter 147, article 19, section 3,  
1.4 subdivision 4.

1.5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:**

1.6 Section 1. Laws 2007, chapter 147, article 19, section 3, subdivision 4, is amended to  
1.7 read:

1.8 **Subd. 4. Children and Economic Assistance**  
1.9 **Grants**

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

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

1.13	Appropriations by Fund		
1.14	General	62,069,000	62,405,000
1.15	Federal TANF	75,904,000	80,841,000

1.16 **(b) Support Services Grants**

1.17	Appropriations by Fund		
1.18	General	8,715,000	8,715,000
1.19	Federal TANF	113,429,000	115,902,000

1.20 **TANF Prior Appropriation Cancellation.**

1.21 Notwithstanding Laws 2001, First Special  
1.22 Session chapter 9, article 17, section  
1.23 2, subdivision 11, paragraph (b), any

2.1 unexpended TANF funds appropriated to the  
2.2 commissioner to contract with the Board of  
2.3 Trustees of Minnesota State Colleges and  
2.4 Universities, to provide tuition waivers to  
2.5 employees of health care and human service  
2.6 providers that are members of qualifying  
2.7 consortia operating under Minnesota  
2.8 Statutes, sections 116L.10 to 116L.15, must  
2.9 cancel at the end of fiscal year 2007.

2.10 **MFIP Pilot Program.** Of the TANF  
2.11 appropriation, \$100,000 in fiscal year 2008  
2.12 and \$750,000 in fiscal year 2009 are for a  
2.13 grant to the Stearns-Benton Employment and  
2.14 Training Council for the Workforce U pilot  
2.15 program. Base level funding for this program  
2.16 shall be \$750,000 in 2010 and \$0 in 2011.

2.17 **Supported Work.** (1) Of the TANF  
2.18 appropriation, \$5,468,000 in fiscal year  
2.19 2008 and \$7,291,000 in fiscal year  
2.20 2009 are for supported work for MFIP  
2.21 participants, to be allocated to counties  
2.22 and tribes based on the criteria under  
2.23 clauses (2) and (3). Paid transitional work  
2.24 experience and other supported employment  
2.25 under this rider provides a continuum of  
2.26 employment assistance, including outreach  
2.27 and recruitment, program orientation  
2.28 and intake, testing and assessment, job  
2.29 development and marketing, preworksite  
2.30 training, supported worksite experience, job  
2.31 coaching, and postplacement follow-up, in  
2.32 addition to extensive case management and  
2.33 referral services. \* (The preceding text  
2.34 "and \$7,291,000 in fiscal year 2009" was  
2.35 indicated as vetoed by the governor.)

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

3.3 (i) the county or tribe is not meeting the  
3.4 federal work participation rate;

3.5 (ii) the county or tribe has participants who  
3.6 are required to perform work activities under  
3.7 Minnesota Statutes, chapter 256J, but are not  
3.8 meeting hourly work requirements; and

3.9 (iii) the county or tribe has assessed  
3.10 participants who have completed six weeks  
3.11 of job search or are required to perform  
3.12 work activities and are not meeting the  
3.13 hourly requirements, and the county or tribe  
3.14 has determined that the participant would  
3.15 benefit from working in a supported work  
3.16 environment.

3.17 (3) A county or tribe may also be eligible for  
3.18 funds in order to contract for supplemental  
3.19 hours of paid work at the participant's child's  
3.20 place of education, child care location, or the  
3.21 child's physical or mental health treatment  
3.22 facility or office. This grant to counties and  
3.23 tribes is specifically for MFIP participants  
3.24 who need to work up to five hours more  
3.25 per week in order to meet the hourly work  
3.26 requirement, and the participant's employer  
3.27 cannot or will not offer more hours to the  
3.28 participant.

3.29 **Work Study.** Of the TANF appropriation,  
3.30 \$750,000 each year are to the commissioner  
3.31 to contract with the Minnesota Office of  
3.32 Higher Education for the biennium beginning  
3.33 July 1, 2007, for work study grants under  
3.34 Minnesota Statutes, section 136A.233,  
3.35 specifically for low-income individuals who

4.1 receive assistance under Minnesota Statutes,  
 4.2 chapter 256J, and for grants to opportunities  
 4.3 industrialization centers. \* (The preceding  
 4.4 text beginning "Work Study. Of the TANF  
 4.5 appropriation," was indicated as vetoed  
 4.6 by the governor.)

4.7 **Integrated Service Projects.** \$2,500,000  
 4.8 in fiscal year 2008 and \$2,500,000 in fiscal  
 4.9 year 2009 are appropriated from the TANF  
 4.10 fund to the commissioner to continue to  
 4.11 fund the existing integrated services projects  
 4.12 for MFIP families, and if funding allows,  
 4.13 additional similar projects.

4.14 **Base Adjustment.** The TANF base for fiscal  
 4.15 year 2010 is \$115,902,000 and for fiscal year  
 4.16 2011 is \$115,152,000.

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

4.18	General	74,654,000	71,951,000
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4.19 **(d) Basic Sliding Fee Child Care Assistance**  
 4.20 **Grants**

4.21	General	42,995,000	45,008,000
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4.22 **Base Adjustment.** The general fund base  
 4.23 is \$44,881,000 for fiscal year 2010 and  
 4.24 \$44,852,000 for fiscal year 2011.

4.25 **At-Home Infant Care Program.** No  
 4.26 funding shall be allocated to or spent on  
 4.27 the at-home infant care program under  
 4.28 Minnesota Statutes, section 119B.035.

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

4.30	General	4,390,000	6,390,000
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4.31 **Prekindergarten Exploratory Projects.** Of  
 4.32 the general fund appropriation, \$2,000,000  
 4.33 the first year and \$4,000,000 the second

5.1 year are for grants to the city of St. Paul,  
 5.2 Hennepin County, and Blue Earth County to  
 5.3 establish scholarship demonstration projects  
 5.4 to be conducted in partnership with the  
 5.5 Minnesota Early Learning Foundation to  
 5.6 promote children's school readiness. This  
 5.7 appropriation is available until June 30, 2009.

5.8 **Child Care Services Grants.** Of this  
 5.9 appropriation, \$500,000 each year are for  
 5.10 the purpose of providing child care services  
 5.11 grants under Minnesota Statutes, section  
 5.12 119B.21, subdivision 5. This appropriation  
 5.13 is for the 2008-2009 biennium only, and does  
 5.14 not increase the base funding.

5.15 **Early Childhood Professional**  
 5.16 **Development System.** Of this appropriation,  
 5.17 \$500,000 each year are for purposes of the  
 5.18 early childhood professional development  
 5.19 system, which increases the quality and  
 5.20 continuum of professional development  
 5.21 opportunities for child care practitioners.  
 5.22 This appropriation is for the 2008-2009  
 5.23 biennium only, and does not increase the  
 5.24 base funding.

5.25 **Base Adjustment.** The general fund base  
 5.26 is \$1,515,000 for each of fiscal years 2010  
 5.27 and 2011.

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

5.29 General                                    11,038,000            3,705,000

5.30 **Child Support Enforcement.** \$7,333,000  
 5.31 for fiscal year 2008 is to make grants to  
 5.32 counties for child support enforcement  
 5.33 programs to make up for the loss under the  
 5.34 2005 federal Deficit Reduction Act of federal

6.1 matching funds for federal incentive funds  
6.2 passed on to the counties by the state.

6.3 This appropriation is available until June 30,  
6.4 2009.

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

6.6	Appropriations by Fund		
6.7	General	63,647,000	71,147,000
6.8	Health Care Access	250,000	-0-
6.9	TANF	240,000	340,000

6.10 **Grants for Programs Serving Young**

6.11 **Parents.** Of the TANF fund appropriation,  
6.12 \$140,000 each year is for a grant to a program  
6.13 or programs that provide comprehensive  
6.14 services through a private, nonprofit agency  
6.15 to young parents in Hennepin County who  
6.16 have dropped out of school and are receiving  
6.17 public assistance. The program administrator  
6.18 shall report annually to the commissioner on  
6.19 skills development, education, job training,  
6.20 and job placement outcomes for program  
6.21 participants.

6.22 **County Allocations for Rate Increases.**

6.23 County Children and Community Services  
6.24 Act allocations shall be increased by  
6.25 \$197,000 effective October 1, 2007, and  
6.26 \$696,000 effective October 1, 2008, to help  
6.27 counties pay for the rate adjustments to  
6.28 day training and habilitation providers for  
6.29 participants paid by county social service  
6.30 funds. Notwithstanding the provisions of  
6.31 Minnesota Statutes, section 256M.40, the  
6.32 allocation to a county shall be based on  
6.33 the county's proportion of social services  
6.34 spending for day training and habilitation  
6.35 services as determined in the most recent

7.1 social services expenditure and grant

7.2 reconciliation report.

7.3 **Privatized Adoption Grants.** Federal

7.4 reimbursement for privatized adoption grant

7.5 and foster care recruitment grant expenditures

7.6 is appropriated to the commissioner for

7.7 adoption grants and foster care and adoption

7.8 administrative purposes.

7.9 **Adoption Assistance Incentive Grants.**

7.10 Federal funds available during fiscal year

7.11 2008 and fiscal year 2009 for the adoption

7.12 incentive grants are appropriated to the

7.13 commissioner for these purposes.

7.14 **Adoption Assistance and Relative Custody**

7.15 **Assistance.** The commissioner may transfer

7.16 unencumbered appropriation balances for

7.17 adoption assistance and relative custody

7.18 assistance between fiscal years and between

7.19 programs.

7.20 **Children's Mental Health Grants.** Of the

7.21 general fund appropriation, \$5,913,000 in

7.22 fiscal year 2008 and \$6,825,000 in fiscal year

7.23 2009 are for children's mental health grants.

7.24 The purpose of these grants is to increase and

7.25 maintain the state's children's mental health

7.26 service capacity, especially for school-based

7.27 mental health services. The commissioner

7.28 shall require grantees to utilize all available

7.29 third party reimbursement sources as a

7.30 condition of using state grant funds. At

7.31 least 15 percent of these funds shall be

7.32 used to encourage efficiencies through early

7.33 intervention services. At least another 15

7.34 percent shall be used to provide respite care

8.1 services for children with severe emotional  
8.2 disturbance at risk of out-of-home placement.

8.3 **Mental Health Crisis Services.** Of the  
8.4 general fund appropriation, \$2,528,000 in  
8.5 fiscal year 2008 and \$2,850,000 in fiscal year  
8.6 2009 are for statewide funding of children's  
8.7 mental health crisis services. Providers must  
8.8 utilize all available funding streams.

8.9 **Children's Mental Health Evidence-Based  
8.10 and Best Practices.** Of the general fund  
8.11 appropriation, \$375,000 in fiscal year 2008  
8.12 and \$750,000 in fiscal year 2009 are for  
8.13 children's mental health evidence-based and  
8.14 best practices including, but not limited  
8.15 to: Adolescent Integrated Dual Diagnosis  
8.16 Treatment services; school-based mental  
8.17 health services; co-location of mental  
8.18 health and physical health care, and; the  
8.19 use of technological resources to better  
8.20 inform diagnosis and development of  
8.21 treatment plan development by mental  
8.22 health professionals. The commissioner  
8.23 shall require grantees to utilize all available  
8.24 third-party reimbursement sources as a  
8.25 condition of using state grant funds.

8.26 **Culturally Specific Mental Health  
8.27 Treatment Grants.** Of the general fund  
8.28 appropriation, \$75,000 in fiscal year 2008  
8.29 and \$300,000 in fiscal year 2009 are for  
8.30 children's mental health grants to support  
8.31 increased availability of mental health  
8.32 services for persons from cultural and  
8.33 ethnic minorities within the state. The  
8.34 commissioner shall use at least 20 percent  
8.35 of these funds to help members of cultural

9.1 and ethnic minority communities to become  
9.2 qualified mental health professionals and  
9.3 practitioners. The commissioner shall assist  
9.4 grantees to meet third-party credentialing  
9.5 requirements and require them to utilize all  
9.6 available third-party reimbursement sources  
9.7 as a condition of using state grant funds.

9.8 **Mental Health Services for Children with**  
9.9 **Special Treatment Needs.** Of the general  
9.10 fund appropriation, \$50,000 in fiscal year  
9.11 2008 and \$200,000 in fiscal year 2009 are  
9.12 for children's mental health grants to support  
9.13 increased availability of mental health  
9.14 services for children with special treatment  
9.15 needs. These shall include, but not be limited  
9.16 to: victims of trauma, including children  
9.17 subjected to abuse or neglect, veterans and  
9.18 their families, and refugee populations;  
9.19 persons with complex treatment needs, such  
9.20 as eating disorders; and those with low  
9.21 incidence disorders.

9.22 **MFIP and Children's Mental Health**  
9.23 **Pilot Project.** Of the TANF appropriation,  
9.24 \$100,000 in fiscal year 2008 and \$200,000  
9.25 in fiscal year 2009 are to fund the MFIP  
9.26 and children's mental health pilot project.  
9.27 Of these amounts, up to \$100,000 may be  
9.28 expended on evaluation of this pilot.

9.29 ~~**Prenatal Alcohol or Drug Use.** Of the~~  
9.30 ~~general fund appropriation, \$75,000 each~~  
9.31 ~~year is to award grants beginning July 1,~~  
9.32 ~~2007, to programs that provide services~~  
9.33 ~~under Minnesota Statutes, section 254A.171,~~  
9.34 ~~in Pine, Kanabec, and Carlton Counties. This~~

10.1 ~~appropriation shall become part of the base~~  
10.2 ~~appropriation.~~

10.3 **Base Adjustment.** The general fund base  
10.4 is \$62,572,000 in fiscal year 2010 and  
10.5 \$62,575,000 in fiscal year 2011.

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

10.7 General                      101,369,000      69,208,000

10.8 **Base Adjustment.** The general fund base  
10.9 is \$69,274,000 in each of fiscal years 2010  
10.10 and 2011.

10.11 **Targeted Case Management Temporary**

10.12 **Funding.** (a) Of the general fund  
10.13 appropriation, \$32,667,000 in fiscal year  
10.14 2008 is transferred to the targeted case  
10.15 management contingency reserve account in  
10.16 the general fund to be allocated to counties  
10.17 and tribes affected by reductions in targeted  
10.18 case management federal Medicaid revenue  
10.19 as a result of the provisions in the federal  
10.20 Deficit Reduction Act of 2005, Public Law  
10.21 109-171.

10.22 (b) Contingent upon (1) publication by the  
10.23 federal Centers for Medicare and Medicaid  
10.24 Services of final regulations implementing  
10.25 the targeted case management provisions  
10.26 of the federal Deficit Reduction Act of  
10.27 2005, Public Law 109-171, or (2) the  
10.28 issuance of a finding by the Centers for  
10.29 Medicare and Medicaid Services of federal  
10.30 Medicaid overpayments for targeted case  
10.31 management expenditures, up to \$32,667,000  
10.32 is appropriated to the commissioner of human  
10.33 services. Prior to distribution of funds, the  
10.34 commissioner shall estimate and certify the  
10.35 amount by which the federal regulations or

11.1 federal disallowance will reduce targeted  
 11.2 case management Medicaid revenue over the  
 11.3 2008-2009 biennium.

11.4 (c) Within 60 days of a contingency described  
 11.5 in paragraph (b), the commissioner shall  
 11.6 distribute the grants proportionate to each  
 11.7 affected county or tribe's targeted case  
 11.8 management federal earnings for calendar  
 11.9 year 2005, not to exceed the lower of (1) the  
 11.10 amount of the estimated reduction in federal  
 11.11 revenue or (2) \$32,667,000.

11.12 (d) These funds are available in either year of  
 11.13 the biennium. Counties and tribes shall use  
 11.14 these funds to pay for social service-related  
 11.15 costs, but the funds are not subject to  
 11.16 provisions of the Children and Community  
 11.17 Services Act grant under Minnesota Statutes,  
 11.18 chapter 256M.

11.19 (e) This appropriation shall be available to  
 11.20 pay counties and tribes for expenses incurred  
 11.21 on or after July 1, 2007. The appropriation  
 11.22 shall be available until expended.

11.23 **(i) General Assistance Grants**

11.24 General                                    37,876,000      38,253,000

11.25 **General Assistance Standard.** The  
 11.26 commissioner shall set the monthly standard  
 11.27 of assistance for general assistance units  
 11.28 consisting of an adult recipient who is  
 11.29 childless and unmarried or living apart  
 11.30 from parents or a legal guardian at \$203.  
 11.31 The commissioner may reduce this amount  
 11.32 according to Laws 1997, chapter 85, article  
 11.33 3, section 54.

12.1 **Emergency General Assistance.** The  
 12.2 amount appropriated for emergency general  
 12.3 assistance funds is limited to no more  
 12.4 than \$7,889,812 in fiscal year 2008 and  
 12.5 \$7,889,812 in fiscal year 2009. Funds  
 12.6 to counties must be allocated by the  
 12.7 commissioner using the allocation method  
 12.8 specified in Minnesota Statutes, section  
 12.9 256D.06.

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

12.11	General	30,505,000	30,812,000
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12.12 **Emergency Minnesota Supplemental**  
 12.13 **Aid Funds.** The amount appropriated for  
 12.14 emergency Minnesota supplemental aid  
 12.15 funds is limited to no more than \$1,100,000  
 12.16 in fiscal year 2008 and \$1,100,000 in fiscal  
 12.17 year 2009. Funds to counties must be  
 12.18 allocated by the commissioner using the  
 12.19 allocation method specified in Minnesota  
 12.20 Statutes, section 256D.46.

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

12.22	General	91,069,000	98,671,000
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12.23 **People Incorporated.** Of the general fund  
 12.24 appropriation, \$460,000 each year is to  
 12.25 augment community support and mental  
 12.26 health services provided to individuals  
 12.27 residing in facilities under Minnesota  
 12.28 Statutes, section 256I.05, subdivision 1m.

12.29 **(l) Other Children and Economic Assistance**  
 12.30 **Grants**

12.31	General	20,183,000	16,333,000
12.32	Federal TANF	1,500,000	1,500,000

12.33 **Base Adjustment.** The general fund base  
 12.34 shall be \$16,033,000 in fiscal year 2010 and

13.1 \$15,533,000 in fiscal year 2011. The TANF  
13.2 base shall be \$1,500,000 in fiscal year 2010  
13.3 and \$1,181,000 in fiscal year 2011.

13.4 **Homeless and Runaway Youth.** Of the  
13.5 general fund appropriation, \$500,000 each  
13.6 year are for the Runaway and Homeless  
13.7 Youth Act under Minnesota Statutes, section  
13.8 256K.45. Funds shall be spent in each area  
13.9 of the continuum of care to ensure that  
13.10 programs are meeting the greatest need. This  
13.11 is a onetime appropriation.

13.12 **Long-Term Homelessness.** Of the general  
13.13 fund appropriation, \$1,500,000 each year are  
13.14 for implementation of programs to address  
13.15 long-term homelessness. This is a onetime  
13.16 appropriation.

13.17 **Minnesota Community Action Grants.** (a)  
13.18 Of the general fund appropriation, \$250,000  
13.19 each year is for the purposes of Minnesota  
13.20 community action grants under Minnesota  
13.21 Statutes, sections 256E.30 to 256E.32. This  
13.22 is a onetime appropriation.

13.23 (b) Of the TANF appropriation, \$1,500,000  
13.24 each year is for community action agencies  
13.25 for auto repairs, auto loans, and auto  
13.26 purchase grants to individuals who are  
13.27 eligible to receive benefits under Minnesota  
13.28 Statutes, chapter 256J, or who have lost  
13.29 eligibility for benefits under Minnesota  
13.30 Statutes, chapter 256J, due to earnings in the  
13.31 prior 12 months. Base level funding for this  
13.32 activity shall be \$1,500,000 in fiscal year  
13.33 2010 and \$1,181,000 in fiscal year 2011. \*

13.34 **(The preceding text beginning "(b) Of the**

14.1 **TANF appropriation," was indicated as**  
14.2 **vetoed by the governor.)**

14.3 (c) Money appropriated under paragraphs (a)  
14.4 and (b) that is not spent in the first year does  
14.5 not cancel but is available for the second  
14.6 year.

14.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.