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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-SIXTH
SESSION**

HOUSE FILE No. 1997

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

A bill for an act

relating to human services; providing for county mandate relief; making changes to children's mental health, general assistance medical care, family services collaboratives, MFIP, and county funeral expenses; amending Minnesota Statutes 2008, sections 245.4932, subdivision 1; 256D.051, subdivision 1a; 256F.13, subdivisions 1, 2; 256J.40; 256J.46, subdivisions 1, 2; 256J.57, subdivision 2; 256J.575, subdivisions 5, 7; 261.035; repealing Minnesota Statutes 2008, sections 245.492, subdivision 2; 256F.10, subdivision 7.

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

Section 1. Minnesota Statutes 2008, section 245.4932, subdivision 1, is amended to read:

Subdivision 1. **Collaborative responsibilities.** The children's mental health collaborative shall have the following authority and responsibilities regarding federal revenue enhancement:

(1) the collaborative must establish an integrated fund;

(2) the collaborative shall designate a lead county or other qualified entity as the fiscal agency for reporting, claiming, and receiving payments;

(3) the collaborative or lead county may enter into subcontracts with other counties, school districts, special education cooperatives, municipalities, and other public and nonprofit entities for purposes of identifying and claiming eligible expenditures to enhance federal reimbursement;

(4) the collaborative shall use any enhanced revenue attributable to the activities of the collaborative, including administrative and service revenue, solely to provide mental health services or to expand the operational target population. The lead county or other qualified entity may not use enhanced federal revenue for any other purpose;

2.1 ~~(5) the members of the collaborative must continue the base level of expenditures;~~
 2.2 ~~as defined in section 245.492, subdivision 2, for services for children with emotional or~~
 2.3 ~~behavioral disturbances and their families from any state, county, federal, or other public~~
 2.4 ~~or private funding source which, in the absence of the new federal reimbursement earned~~
 2.5 ~~under sections 245.491 to 245.495, would have been available for those services. The~~
 2.6 ~~base year for purposes of this subdivision shall be the accounting period closest to state~~
 2.7 ~~fiscal year 1993;~~

2.8 ~~(6)~~ (5) the collaborative or lead county must develop and maintain an accounting and
 2.9 financial management system adequate to support all claims for federal reimbursement,
 2.10 including a clear audit trail and any provisions specified in the contract with the
 2.11 commissioner of human services;

2.12 ~~(7)~~ (6) the collaborative or its members may elect to pay the nonfederal share of the
 2.13 medical assistance costs for services designated by the collaborative; and

2.14 ~~(8)~~ (7) the lead county or other qualified entity may not use federal funds or local
 2.15 funds designated as matching for other federal funds to provide the nonfederal share of
 2.16 medical assistance.

2.17 Sec. 2. Minnesota Statutes 2008, section 256D.051, subdivision 1a, is amended to read:

2.18 Subd. 1a. **Notices and sanctions.** (a) At the time the county agency notifies the
 2.19 household that it is eligible for food stamps, the county agency must inform all mandatory
 2.20 employment and training services participants as identified in subdivision 1 in the
 2.21 household that they must comply with all food stamp employment and training program
 2.22 requirements each month, including the requirement to attend an initial orientation to the
 2.23 food stamp employment and training program and that food stamp eligibility will end
 2.24 unless the participants comply with the requirements specified in the notice.

2.25 (b) A participant who fails without good cause to comply with food stamp
 2.26 employment and training program requirements of this section, including attendance at
 2.27 orientation, will lose food stamp eligibility for the following periods:

2.28 (1) for the first occurrence, for one month or until the person complies with the
 2.29 requirements not previously complied with, whichever is longer;

2.30 (2) for the second occurrence, for three months or until the person complies with the
 2.31 requirements not previously complied with, whichever is longer; or

2.32 (3) for the third and any subsequent occurrence, for six months or until the person
 2.33 complies with the requirements not previously complied with, whichever is longer.

2.34 If the participant is not the food stamp head of household, the person shall be
 2.35 considered an ineligible household member for food stamp purposes. If the participant is

3.1 the food stamp head of household, the entire household is ineligible for food stamps as
3.2 provided in Code of Federal Regulations, title 7, section 273.7(g). "Good cause" means
3.3 circumstances beyond the control of the participant, such as illness or injury, illness or
3.4 injury of another household member requiring the participant's presence, a household
3.5 emergency, or the inability to obtain child care for children between the ages of six and
3.6 12 or to obtain transportation needed in order for the participant to meet the food stamp
3.7 employment and training program participation requirements.

3.8 (c) ~~The county agency job counselor shall mail or hand deliver~~ provide a notice of
3.9 failure to comply to the participant not later than five days after determining that the
3.10 participant has failed without good cause to comply with food stamp employment and
3.11 training program requirements which specifies the requirements that were not complied
3.12 with, the factual basis for the determination of noncompliance, and informs the participant
3.13 of the right to reinstate eligibility upon a showing of good cause for failure to meet the
3.14 requirements. The notice must ask the reason for the noncompliance and identify the
3.15 participant's appeal rights. The notice must request that the participant inform the county
3.16 agency if the participant believes that good cause existed for the failure to comply and
3.17 must state that the county agency intends to terminate eligibility for food stamp benefits
3.18 due to failure to comply with food stamp employment and training program requirements.
3.19 request to meet with the job counselor or the job counselor's supervisor regarding the
3.20 determination of noncompliance. The notice must advise the participant to inform the job
3.21 counselor if the participant believes that good cause existed for failure to comply and
3.22 inform the participant of the right to reinstate eligibility upon a showing of good cause for
3.23 failure to meet the requirements. The notice must inform the participant that the county
3.24 intends to terminate food stamp benefits if the noncompliance is not resolved. The job
3.25 counselor shall then notify the county that sanctions are warranted due to failure to comply.

3.26 (d) Upon receiving the failure to comply notification from the job counselor in
3.27 paragraph (c):

3.28 (1) the county shall send a notice of adverse action to the participant informing the
3.29 participant of the sanction to be imposed, the reasons for the sanction, the effective date of
3.30 the sanction, and the participant's right to a fair hearing under section 256.045; and

3.31 (2) the participant may request to meet with the job counselor or the job counselor's
3.32 supervisor regarding the determination of noncompliance. If the noncompliance is
3.33 resolved, the job counselor shall notify the county that the participant came into
3.34 compliance.

3.35 (d) ~~If the county agency determines that the participant did not comply during the~~
3.36 ~~month with all food stamp employment and training program requirements that were in~~

4.1 ~~effect, and if the county agency determines that good cause was not present, the county~~
 4.2 ~~must provide a ten-day notice of termination of food stamp benefits:~~

4.3 (e) The amount of food stamps that are withheld from the household and
 4.4 determination of the impact of the sanction on other household members is governed by
 4.5 Code of Federal Regulations, title 7, section 273.7.

4.6 ~~(e) The participant may appeal the termination of food stamp benefits under the~~
 4.7 ~~provisions of section 256.045:~~

4.8 Sec. 3. Minnesota Statutes 2008, section 256F.13, subdivision 1, is amended to read:

4.9 Subdivision 1. **Federal revenue enhancement.** (a) The commissioner of human
 4.10 services may enter into an agreement with one or more family services collaboratives
 4.11 to enhance federal reimbursement under title IV-E of the Social Security Act and
 4.12 federal administrative reimbursement under title XIX of the Social Security Act. The
 4.13 commissioner may contract with the Department of Education for purposes of transferring
 4.14 the federal reimbursement to the commissioner of education to be distributed to the
 4.15 collaboratives according to clause (2). The commissioner shall have the following
 4.16 authority and responsibilities regarding family services collaboratives:

4.17 (1) the commissioner shall submit amendments to state plans and seek waivers as
 4.18 necessary to implement the provisions of this section;

4.19 (2) the commissioner shall pay the federal reimbursement earned under this
 4.20 subdivision to each collaborative based on their earnings. Payments to collaboratives for
 4.21 expenditures under this subdivision will only be made of federal earnings from services
 4.22 provided by the collaborative;

4.23 ~~(3) the commissioner shall review expenditures of family services collaboratives~~
 4.24 ~~using reports specified in the agreement with the collaborative to ensure that the base level~~
 4.25 ~~of expenditures is continued and new federal reimbursement is used to expand education,~~
 4.26 ~~social, health, or health-related services to young children and their families;~~

4.27 ~~(4) the commissioner may reduce, suspend, or eliminate a family services~~
 4.28 ~~collaborative's obligations to continue the base level of expenditures or expansion of~~
 4.29 ~~services if the commissioner determines that one or more of the following conditions~~
 4.30 ~~apply:~~

4.31 ~~(i) imposition of levy limits that significantly reduce available funds for social,~~
 4.32 ~~health, or health-related services to families and children;~~

4.33 ~~(ii) reduction in the net tax capacity of the taxable property eligible to be taxed by~~
 4.34 ~~the lead county or subcontractor that significantly reduces available funds for education,~~
 4.35 ~~social, health, or health-related services to families and children;~~

5.1 ~~(iii) reduction in the number of children under age 19 in the county, collaborative~~
5.2 ~~service delivery area, subcontractor's district, or catchment area when compared to the~~
5.3 ~~number in the base year using the most recent data provided by the State Demographer's~~
5.4 ~~Office; or~~

5.5 ~~(iv) termination of the federal revenue earned under the family services collaborative~~
5.6 ~~agreement;~~

5.7 ~~(5) the commissioner shall not use the federal reimbursement earned under this~~
5.8 ~~subdivision in determining the allocation or distribution of other funds to counties or~~
5.9 ~~collaboratives;~~

5.10 ~~(6)~~ (4) the commissioner may suspend, reduce, or terminate the federal
5.11 reimbursement to a provider that does not meet the reporting or other requirements
5.12 of this subdivision;

5.13 ~~(7)~~ (5) the commissioner shall recover from the family services collaborative any
5.14 federal fiscal disallowances or sanctions for audit exceptions directly attributable to the
5.15 family services collaborative's actions in the integrated fund, or the proportional share if
5.16 federal fiscal disallowances or sanctions are based on a statewide random sample; and

5.17 ~~(8)~~ (6) the commissioner shall establish criteria for the family services collaborative
5.18 for the accounting and financial management system that will support claims for federal
5.19 reimbursement.

5.20 (b) The family services collaborative shall have the following authority and
5.21 responsibilities regarding federal revenue enhancement:

5.22 (1) the family services collaborative shall be the party with which the commissioner
5.23 contracts. A lead county shall be designated as the fiscal agency for reporting, claiming,
5.24 and receiving payments;

5.25 (2) the family services collaboratives may enter into subcontracts with other
5.26 counties, school districts, special education cooperatives, municipalities, and other public
5.27 and nonprofit entities for purposes of identifying and claiming eligible expenditures to
5.28 enhance federal reimbursement, or to expand education, social, health, or health-related
5.29 services to families and children;

5.30 ~~(3) the family services collaborative must continue the base level of expenditures for~~
5.31 ~~education, social, health, or health-related services to families and children from any state,~~
5.32 ~~county, federal, or other public or private funding source which, in the absence of the new~~
5.33 ~~federal reimbursement earned under this subdivision, would have been available for those~~
5.34 ~~services, except as provided in paragraph (a), clause (4). The base year for purposes of this~~
5.35 ~~subdivision shall be the four-quarter calendar year ending at least two calendar quarters~~
5.36 ~~before the first calendar quarter in which the new federal reimbursement is earned;~~

6.1 ~~(4) the family services collaborative must use all new federal reimbursement~~
 6.2 ~~resulting from federal revenue enhancement to expand expenditures for education, social,~~
 6.3 ~~health, or health-related services to families and children beyond the base level, except~~
 6.4 ~~as provided in paragraph (a), clause (4);~~

6.5 ~~(5)~~ (3) the family services collaborative must ensure that expenditures submitted
 6.6 for federal reimbursement are not made from federal funds or funds used to match other
 6.7 federal funds. Notwithstanding section 256B.19, subdivision 1, for the purposes of family
 6.8 services collaborative expenditures under agreement with the department, the nonfederal
 6.9 share of costs shall be provided by the family services collaborative from sources other
 6.10 than federal funds or funds used to match other federal funds;

6.11 ~~(6)~~ (4) the family services collaborative must develop and maintain an accounting
 6.12 and financial management system adequate to support all claims for federal reimbursement,
 6.13 including a clear audit trail and any provisions specified in the agreement; and

6.14 ~~(7)~~ (5) the family services collaborative shall submit an annual report to the
 6.15 commissioner as specified in the agreement.

6.16 Sec. 4. Minnesota Statutes 2008, section 256F.13, subdivision 2, is amended to read:

6.17 Subd. 2. **Agreements with family services collaboratives.** At a minimum, the
 6.18 agreement between the commissioner and the family services collaborative shall include
 6.19 the following provisions:

6.20 (1) specific documentation of the expenditures eligible for federal reimbursement;

6.21 (2) the process for developing and submitting claims to the commissioner;

6.22 (3) specific identification of the education, social, health, or health-related services
 6.23 to families and children which are to be expanded with the federal reimbursement;

6.24 ~~(4) reporting and review procedures ensuring that the family services collaborative~~
 6.25 ~~must continue the base level of expenditures for the education, social, health, or~~
 6.26 ~~health-related services for families and children as specified in clause (3);~~

6.27 ~~(5) reporting and review procedures to ensure that federal revenue earned under this~~
 6.28 ~~section is spent specifically to expand education, social, health, or health-related services~~
 6.29 ~~for families and children as specified in clause (4);~~

6.30 ~~(6)~~ (4) the period of time, not to exceed three years, governing the terms of the
 6.31 agreement and provisions for amendments to, and renewal of the agreement; and

6.32 ~~(7)~~ (5) an annual report prepared by the family services collaborative.

6.33 Sec. 5. Minnesota Statutes 2008, section 256J.40, is amended to read:

6.34 **256J.40 FAIR HEARINGS.**

7.1 Caregivers receiving a ~~notice of intent to sanction~~ or a notice of adverse action that
7.2 includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or
7.3 termination of benefits may request a fair hearing. A request for a fair hearing must be
7.4 submitted in writing to the county agency or to the commissioner and must be mailed
7.5 within 30 days after a participant or former participant receives written notice of the
7.6 agency's action or within 90 days when a participant or former participant shows good
7.7 cause for not submitting the request within 30 days. A former participant who receives a
7.8 notice of adverse action due to an overpayment may appeal the adverse action according
7.9 to the requirements in this section. Issues that may be appealed are:

- 7.10 (1) the amount of the assistance payment;
- 7.11 (2) a suspension, reduction, denial, or termination of assistance;
- 7.12 (3) the basis for an overpayment, the calculated amount of an overpayment, and
7.13 the level of recoupment;
- 7.14 (4) the eligibility for an assistance payment; and
- 7.15 (5) the use of protective or vendor payments under section 256J.39, subdivision 2,
7.16 clauses (1) to (3).

7.17 Except for benefits issued under section 256J.95, a county agency must not reduce,
7.18 suspend, or terminate payment when an aggrieved participant requests a fair hearing
7.19 prior to the effective date of the adverse action or within ten days of the mailing of the
7.20 notice of adverse action, whichever is later, unless the participant requests in writing not
7.21 to receive continued assistance pending a hearing decision. An appeal request cannot
7.22 extend benefits for the diversionary work program under section 256J.95 beyond the
7.23 four-month time limit. Assistance issued pending a fair hearing is subject to recovery
7.24 under section 256J.38 when as a result of the fair hearing decision the participant is
7.25 determined ineligible for assistance or the amount of the assistance received. A county
7.26 agency may increase or reduce an assistance payment while an appeal is pending when the
7.27 circumstances of the participant change and are not related to the issue on appeal. The
7.28 commissioner's order is binding on a county agency. No additional notice is required to
7.29 enforce the commissioner's order.

7.30 A county agency shall reimburse appellants for reasonable and necessary expenses
7.31 of attendance at the hearing, such as child care and transportation costs and for the
7.32 transportation expenses of the appellant's witnesses and representatives to and from the
7.33 hearing. Reasonable and necessary expenses do not include legal fees. Fair hearings
7.34 must be conducted at a reasonable time and date by an impartial referee employed by
7.35 the department. The hearing may be conducted by telephone or at a site that is readily
7.36 accessible to persons with disabilities.

8.1 The appellant may introduce new or additional evidence relevant to the issues on
8.2 appeal. Recommendations of the appeals referee and decisions of the commissioner
8.3 must be based on evidence in the hearing record and are not limited to a review of the
8.4 county agency action.

8.5 Sec. 6. Minnesota Statutes 2008, section 256J.46, subdivision 1, is amended to read:

8.6 Subdivision 1. **Participants not complying with program requirements.** (a)
8.7 A participant who fails without good cause under section 256J.57 to comply with the
8.8 requirements of this chapter, and who is not subject to a sanction under subdivision 2,
8.9 shall be subject to a sanction as provided in this subdivision. Prior to the imposition of
8.10 a sanction, a county agency shall provide a notice of ~~intent to sanction under section~~
8.11 ~~256J.57, subdivision 2, and, when applicable, a notice of~~ adverse action as provided
8.12 in section 256J.31.

8.13 (b) ~~A sanction under this subdivision becomes effective the month following the~~
8.14 ~~month in which a required notice is given.~~ A sanction must not be imposed when a
8.15 participant comes into compliance with the requirements for orientation under section
8.16 256J.45 or the requirements for employment and training services under sections 256J.515
8.17 to 256J.57 prior to the effective date of the sanction. ~~A sanction must not be imposed~~
8.18 ~~when a participant comes into compliance with the requirements for employment and~~
8.19 ~~training services under sections 256J.515 to 256J.57 ten days prior to the effective date~~
8.20 ~~of the sanction.~~ For purposes of this subdivision, each month that a participant fails to
8.21 comply with a requirement of this chapter shall be considered a separate occurrence of
8.22 noncompliance. If both participants in a two-parent assistance unit are out of compliance
8.23 at the same time, it is considered one occurrence of noncompliance.

8.24 (c) Sanctions for noncompliance shall be imposed as follows:

8.25 (1) For the first occurrence of noncompliance by a participant in an assistance unit,
8.26 the assistance unit's grant shall be reduced by ten percent of the MFIP standard of need
8.27 for an assistance unit of the same size with the residual grant paid to the participant. The
8.28 reduction in the grant amount must be in effect for a minimum of one month and shall be
8.29 removed in the month following the month that the participant returns to compliance.

8.30 (2) For a second, third, fourth, fifth, or sixth occurrence of noncompliance by a
8.31 participant in an assistance unit, the assistance unit's shelter costs shall be vendor paid
8.32 up to the amount of the cash portion of the MFIP grant for which the assistance unit is
8.33 eligible. At county option, the assistance unit's utilities may also be vendor paid up to
8.34 the amount of the cash portion of the MFIP grant remaining after vendor payment of the
8.35 assistance unit's shelter costs. The residual amount of the grant after vendor payment, if

9.1 any, must be reduced by an amount equal to 30 percent of the MFIP standard of need for an
9.2 assistance unit of the same size before the residual grant is paid to the assistance unit. The
9.3 reduction in the grant amount must be in effect for a minimum of one month and shall be
9.4 removed in the month following the month that the participant in a one-parent assistance
9.5 unit returns to compliance. In a two-parent assistance unit, the grant reduction must
9.6 be in effect for a minimum of one month and shall be removed in the month following
9.7 the month both participants return to compliance. The vendor payment of shelter costs
9.8 and, if applicable, utilities shall be removed six months after the month in which the
9.9 participant or participants return to compliance. If an assistance unit is sanctioned under
9.10 this clause, the participant's case file must be reviewed to determine if the employment
9.11 plan is still appropriate.

9.12 (d) For a seventh occurrence of noncompliance by a participant in an assistance
9.13 unit, or when the participants in a two-parent assistance unit have a total of seven
9.14 occurrences of noncompliance, the county agency shall close the MFIP assistance unit's
9.15 financial assistance case, both the cash and food portions, and redetermine the family's
9.16 continued eligibility for food support payments. The MFIP case must remain closed for a
9.17 minimum of one full month. Before the case is closed, the county agency must review
9.18 the participant's case to determine if the employment plan is still appropriate and attempt
9.19 to meet with the participant face-to-face. The participant may bring an advocate to the
9.20 face-to-face meeting. If a face-to-face meeting is not conducted, the county agency must
9.21 send the participant a written notice that includes the information required under clause (1).

9.22 (1) During the face-to-face meeting, the county agency must:

9.23 (i) determine whether the continued noncompliance can be explained and mitigated
9.24 by providing a needed preemployment activity, as defined in section 256J.49, subdivision
9.25 13, clause (9);

9.26 (ii) determine whether the participant qualifies for a good cause exception under
9.27 section 256J.57, or if the sanction is for noncooperation with child support requirements,
9.28 determine if the participant qualifies for a good cause exemption under section 256.741,
9.29 subdivision 10;

9.30 (iii) determine whether the work activities in the employment plan are appropriate
9.31 based on the criteria in section 256J.521, subdivision 2 or 3;

9.32 (iv) determine whether the participant qualifies for the family violence waiver;

9.33 (v) inform the participant of the participant's sanction status and explain the
9.34 consequences of continuing noncompliance;

9.35 (vi) identify other resources that may be available to the participant to meet the
9.36 needs of the family; and

10.1 (vii) inform the participant of the right to appeal under section 256J.40.

10.2 (2) If the lack of an identified activity or service can explain the noncompliance, the
10.3 county must work with the participant to provide the identified activity.

10.4 (3) The grant must be restored to the full amount for which the assistance unit is
10.5 eligible retroactively to the first day of the month in which the participant was found to
10.6 lack preemployment activities or to qualify for a family violence waiver or for a good
10.7 cause exemption under section 256.741, subdivision 10, or 256J.57.

10.8 (e) For the purpose of applying sanctions under this section, only occurrences of
10.9 noncompliance that occur after July 1, 2003, shall be considered. If the participant is in
10.10 30 percent sanction in the month this section takes effect, that month counts as the first
10.11 occurrence for purposes of applying the sanctions under this section, but the sanction
10.12 shall remain at 30 percent for that month.

10.13 (f) An assistance unit whose case is closed under paragraph (d) or (g), may
10.14 reapply for MFIP and shall be eligible if the participant complies with MFIP program
10.15 requirements and demonstrates compliance for up to one month. No assistance shall be
10.16 paid during this period.

10.17 (g) An assistance unit whose case has been closed for noncompliance, that reapplies
10.18 under paragraph (f), is subject to sanction under paragraph (c), clause (2), for a first
10.19 occurrence of noncompliance. Any subsequent occurrence of noncompliance shall result
10.20 in case closure under paragraph (d).

10.21 Sec. 7. Minnesota Statutes 2008, section 256J.46, subdivision 2, is amended to read:

10.22 Subd. 2. **Sanctions for refusal to cooperate with support requirements.** The
10.23 grant of an MFIP caregiver who refuses to cooperate, as determined by the child support
10.24 enforcement agency, with support requirements under section 256.741, shall be subject
10.25 to sanction as specified in this subdivision and subdivision 1. For a first occurrence of
10.26 noncooperation, the assistance unit's grant must be reduced by 30 percent of the applicable
10.27 MFIP standard of need. Subsequent occurrences of noncooperation shall be subject to
10.28 sanction under subdivision 1, paragraphs (c), clause (2), and (d). The residual amount
10.29 of the grant, if any, must be paid to the caregiver. ~~A sanction under this subdivision~~
10.30 ~~becomes effective the first month following the month in which a required notice is~~
10.31 ~~given.~~ A sanction must not be imposed when a caregiver comes into compliance with
10.32 the requirements under section 256.741 prior to the effective date of the sanction. The
10.33 sanction shall be removed in the month following the month that the caregiver cooperates
10.34 with the support requirements. Each month that an MFIP caregiver fails to comply
10.35 with the requirements of section 256.741 must be considered a separate occurrence of

11.1 noncompliance for the purpose of applying sanctions under subdivision 1, paragraphs
 11.2 (c), clause (2), and (d).

11.3 Sec. 8. Minnesota Statutes 2008, section 256J.57, subdivision 2, is amended to read:

11.4 Subd. 2. **Notice of intent to sanction failure to comply.** (a) When a participant
 11.5 fails without good cause to comply with the requirements of sections 256J.515 to 256J.57,
 11.6 within five days the job counselor or the county agency must provide a notice of intent to
 11.7 sanction failure to comply to the participant specifying and notify the county in writing
 11.8 that a sanction is to be imposed. The county shall then send a notice of adverse action to
 11.9 the participant informing the participant of the sanction that will be imposed, the reasons
 11.10 for the sanction, the effective date of the sanction, and the participant's right to a fair
 11.11 hearing under section 256J.40.

11.12 (b) The notice of failure to comply must specify the program requirements that were
 11.13 not complied with, informing the factual basis for the determination of noncompliance,
 11.14 and inform the participant of the right to request to meet with the job counselor or the job
 11.15 counselor's supervisor regarding the determination of noncompliance. The notice must
 11.16 advise the participant to inform the job counselor if the participant believes that good
 11.17 cause existed for the failure to comply and inform the participant of the right to continue
 11.18 eligibility if there is good cause for the noncompliance. The notice must inform the
 11.19 participant that the county agency will impose the sanctions specified in section 256J.46,
 11.20 and informing the participant of the opportunity to request a conciliation conference as
 11.21 specified in paragraph (b). The notice must also state that the participant's continuing
 11.22 noncompliance with the specified requirements will result in additional sanctions under
 11.23 section 256J.46, without the need for additional notices or conciliation conferences
 11.24 under this subdivision. The notice, written in English, must include the Department of
 11.25 Human Services language block, and must be sent to every applicable participant. If the
 11.26 participant does not request a conciliation conference within ten calendar days of the
 11.27 mailing of the notice of intent to sanction;

11.28 (c) Upon receiving the notice of failure to comply, the participant may request to
 11.29 meet with the job counselor or the job counselor's supervisor regarding the determination
 11.30 of noncompliance. If the noncompliance is resolved, the job counselor must notify the
 11.31 county agency that the assistance payment should be reduced. The county must then send
 11.32 a notice of adverse action to the participant informing the participant of the sanction
 11.33 that will be imposed, the reasons for the sanction, the effective date of the sanction, and
 11.34 the participant's right to have a fair hearing under section 256J.40 participant came into
 11.35 compliance.

12.1 ~~(b)~~ (d) The participant may request a conciliation conference by sending a written
 12.2 request, by making a telephone request, or by making an in-person request. The request
 12.3 must be received within ten calendar days of the date the county agency mailed the
 12.4 ten-day notice of intent to sanction. If a timely request for a conciliation is received, the
 12.5 county agency's service provider must conduct the conference within five days of the
 12.6 request. The job counselor's supervisor, or a designee of the supervisor, must review
 12.7 the outcome of the conciliation conference. If the conciliation conference resolves the
 12.8 noncompliance, the job counselor must promptly inform the county agency and request
 12.9 withdrawal of the sanction notice.

12.10 ~~(e)~~ (e) Upon receiving a sanction notice, the participant may request a fair hearing
 12.11 under section 256J.40, without exercising the option of a conciliation conference. In
 12.12 such cases, the county agency shall not require the participant to engage in a conciliation
 12.13 conference prior to the fair hearing.

12.14 ~~(d)~~ (f) If the participant requests a fair hearing or a conciliation conference, sanctions
 12.15 will not be imposed until there is a determination of noncompliance. Sanctions must be
 12.16 imposed as provided in section 256J.46.

12.17 Sec. 9. Minnesota Statutes 2008, section 256J.575, subdivision 5, is amended to read:

12.18 Subd. 5. **Case management; family stabilization plans; coordinated services.** (a)
 12.19 The county agency or employment services provider shall provide family stabilization
 12.20 services to families through a case management model. A case manager shall be assigned
 12.21 to each participating family within 30 days after the family is determined to be eligible
 12.22 for family stabilization services. The case manager, with the full involvement of the
 12.23 participant, shall recommend, and the county agency shall establish and modify as
 12.24 necessary, a family stabilization plan for each participating family. If a participant is
 12.25 already assigned to a county case manager or a county-designated case manager in social
 12.26 services, disability services, or housing services that case manager already assigned may
 12.27 be the case manager for purposes of these services.

12.28 (b) The family stabilization plan must include:

12.29 (1) each participant's plan for long-term self-sufficiency, including an employment
 12.30 goal where applicable;

12.31 (2) an assessment of each participant's strengths and barriers, and any special
 12.32 circumstances of the participant's family that impact, or are likely to impact, the
 12.33 participant's progress towards the goals in the plan; and

13.1 (3) an identification of the services, supports, education, training, and
13.2 accommodations needed to reduce or overcome any barriers to enable the family to
13.3 achieve self-sufficiency and to fulfill each caregiver's personal and family responsibilities.

13.4 (c) The case manager and the participant shall meet within 30 days of the family's
13.5 referral to the case manager. The initial family stabilization plan must be completed within
13.6 30 days of the first meeting with the case manager. The case manager shall establish a
13.7 schedule for periodic review of the family stabilization plan that includes personal contact
13.8 with the participant at least once per month. In addition, the case manager shall review
13.9 and, if necessary, modify the plan under the following circumstances:

13.10 (1) there is a lack of satisfactory progress in achieving the goals of the plan;

13.11 (2) the participant has lost unsubsidized or subsidized employment;

13.12 (3) a family member has failed or is unable to comply with a family stabilization
13.13 plan requirement;

13.14 (4) services, supports, or other activities required by the plan are unavailable;

13.15 (5) changes to the plan are needed to promote the well-being of the children; or

13.16 (6) the participant and case manager determine that the plan is no longer appropriate
13.17 for any other reason.

13.18 (d) The county agency or employment services provider are not required to provide
13.19 the services identified in the participant's family stabilization plan under paragraph (b),
13.20 clause (3), when money appropriated is not sufficient to provide the services.

13.21 Sec. 10. Minnesota Statutes 2008, section 256J.575, subdivision 7, is amended to read:

13.22 Subd. 7. **Sanctions.** (a) The financial assistance grant of a participating family is
13.23 reduced according to section 256J.46, if a participating adult fails without good cause to
13.24 comply or continue to comply with the family stabilization plan requirements in this
13.25 subdivision, unless compliance has been excused under subdivision 6, paragraph (d).

13.26 (b) Given the purpose of the family stabilization services in this section and the
13.27 nature of the underlying family circumstances that act as barriers to both employment and
13.28 full compliance with program requirements, there must be a review by the county agency
13.29 prior to imposing a sanction to determine whether the plan was appropriated to the needs
13.30 of the participant and family, and that the participant in all ways had the ability to comply
13.31 with the plan, as confirmed by a behavioral health or medical professional.

13.32 (c) Prior to the imposition of a sanction, the county agency or employment services
13.33 provider shall review the participant's case to determine if the family stabilization plan
13.34 is still appropriate and meet with the participant face-to-face. The participant may bring
13.35 an advocate to the face-to-face meeting.

14.1 During the face-to-face meeting, the county agency shall:

14.2 (1) determine whether the continued noncompliance can be explained and mitigated
14.3 by providing a needed family stabilization service, as defined in subdivision 2, paragraph
14.4 (d);

14.5 (2) determine whether the participant qualifies for a good cause exception under
14.6 section 256J.57, or if the sanction is for noncooperation with child support requirements,
14.7 determine if the participant qualifies for a good cause exemption under section 256.741,
14.8 subdivision 10;

14.9 (3) determine whether activities in the family stabilization plan are appropriate
14.10 based on the family's circumstances;

14.11 (4) explain the consequences of continuing noncompliance;

14.12 (5) identify other resources that may be available to the participant to meet the
14.13 needs of the family; and

14.14 (6) inform the participant of the right to appeal under section 256J.40.

14.15 If the lack of an identified activity or service can explain the noncompliance, the
14.16 county shall work with the participant to provide the identified activity.

14.17 (d) If the participant fails to come to the face-to-face meeting, the case manager or a
14.18 designee shall attempt at least one home visit. If a face-to-face meeting is not conducted,
14.19 the county agency shall send the participant a written notice that includes the information
14.20 under paragraph (c).

14.21 (e) After the requirements of paragraphs (c) and (d) are met ~~and prior to imposition~~
14.22 ~~of a sanction~~, the county agency shall provide ~~a notice of intent to sanction under section~~
14.23 ~~256J.57, subdivision 2, and, when applicable,~~ a notice of adverse action under section
14.24 256J.31.

14.25 (f) Section 256J.57 applies to this section except to the extent that it is modified
14.26 by this subdivision.

14.27 Sec. 11. Minnesota Statutes 2008, section 261.035, is amended to read:

14.28 **261.035 FUNERALS AT EXPENSE OF COUNTY.**

14.29 When a person dies in any county without apparent means to provide for that
14.30 person's funeral or final disposition, the county ~~board~~ shall first investigate to determine
14.31 whether that person had contracted for any prepaid funeral arrangements. If arrangements
14.32 have been made, the county shall authorize arrangements to be implemented in accord with
14.33 the instructions of the deceased. If it is determined that the person did not leave sufficient
14.34 means to defray the necessary expenses of a funeral and final disposition, nor any spouse
14.35 of sufficient ability to procure the burial, the county ~~board~~ shall provide for a funeral and

15.1 final disposition of the person's remains to be made at the expense of the county. Counties
15.2 may establish a maximum rate for funeral expenses. Any funeral and final disposition
15.3 provided at the expense of the county shall be in accordance with religious and moral
15.4 beliefs of the decedent or the decedent's spouse or the decedent's next of kin. If the wishes
15.5 of the decedent are not known and the county has no information about the existence of or
15.6 location of any next of kin, the county may determine the method of final disposition.

15.7 Sec. 12. **REPEALER.**

15.8 Minnesota Statutes 2008, sections 245.492, subdivision 2; and 256F.10, subdivision
15.9 7, are repealed.

245.492 DEFINITIONS.

Subd. 2. **Base level funding.** "Base level funding" means funding received from state, federal, or local sources and expended across the local system of care in fiscal year 1995 for children's mental health services, for special education services, and for other services for children with emotional or behavioral disturbances and their families. In subsequent years, base level funding may be adjusted to reflect decreases in the numbers of children in the target population.

256F.10 CHILD WELFARE TARGETED CASE MANAGEMENT.

Subd. 7. **Expansion of services and base level of expenditures.** (a) Counties and tribal social services must continue the base level of expenditures for preventive child welfare services from either or both of any state, county, or federal funding source, which, in the absence of federal funds earned under this section, would have been available for these services. The commissioner shall review the county or tribal social services expenditures annually using reports required under sections 245.482 and 256.01, subdivision 2, paragraph (17), to ensure that the base level of expenditures for preventive child welfare services is continued from sources other than the federal funds earned under this section.

(b) The commissioner may reduce, suspend, or eliminate either or both of a county's or tribal social services' obligations to continue the base level of expenditures and to expand child welfare preventive services if the commissioner determines that one or more of the following conditions apply to that county or reservation:

(1) imposition of levy limits that significantly reduce available social service funds;

(2) reduction in the net tax capacity of the taxable property within a county or reservation that significantly reduces available social service funds;

(3) reduction in the number of children under age 19 in the county or reservation by 25 percent when compared with the number in the base year using the most recent data provided by the State Demographer's Office; or

(4) termination of the federal revenue earned under this section.

(c) The commissioner may suspend for one year either or both of a county's or tribal social services' obligations to continue the base level of expenditures and to expand child welfare preventive services if the commissioner determines that in the previous year one or more of the following conditions applied to that county or reservation:

(1) the total number of children in placement under sections 260C.212 and 393.07, subdivisions 1 and 2, has been reduced by 50 percent from the total number in the base year; or

(2) the average number of children in placement under sections 260C.212 and 393.07, subdivisions 1 and 2, on the last day of each month is equal to or less than one child per 1,000 children in the county or reservation.

(d) For the purposes of this section, child welfare preventive services are those services directed toward a specific child or family that further the goals of Minnesota Statutes 2002, section 256F.01, and include assessments, family preservation services, service coordination, community-based treatment, crisis nursery services when the parents retain custody and there is no voluntary placement agreement with a child-placing agency, respite care except when it is provided under a medical assistance waiver, home-based services, and other related services. For the purposes of this section, child welfare preventive services shall not include shelter care placements under the authority of the court or public agency to address an emergency, residential services except for respite care, child care for the purposes of employment and training, adult services, services other than child welfare targeted case management when they are provided under medical assistance, placement services, or activities not directed toward a specific child or family. Respite care must be planned, routine care to support the continuing residence of the child with its family or long-term primary caretaker and must not be provided to address an emergency.

(e) For the counties and tribal social services beginning to claim federal reimbursement for services under this section and section 256B.094, the base year is the calendar year ending at least two calendar quarters before the first calendar quarter in which the provider begins claiming reimbursement. For the purposes of this section, the base level of expenditures is the level of county or tribal social services expenditures in the base year for eligible child welfare preventive services described in this subdivision.