

## STATE OF MINNESOTA

## THIRD SPECIAL SESSION - 1981

## SIXTEENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, JANUARY 14, 1982

The House of Representatives convened at 11:00 a.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Marvin Sandness, Christ Lutheran on Capitol Hill, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Fjoslien	Knickerbocker	O'Connor	Sherwood
Ainley	Forsythe	Kostohryz	Ogren	Sieben, M.
Anderson, B.	Frerichs	Kvam	Olsen	Simoneau
Anderson, G.	Greenfield	Laidig	Onnen	Skoglund
Anderson, I.	Gruenes	Lehto	Osthoff	Stadum
Anderson, R.	Gustafson	Lemen	Otis	Staten
Battaglia	Halberg	Levi	Peterson, B.	Stowell
Begich	Hanson	Long	Peterson, D.	Stumpf
Berkelman	Harens	Ludeman	Piepho	Sviggum
Blatz	Hauge	Luknic	Pogemiller	Swanson
Brandl	Haukoos	Mann	Redalen	Tomlinson
Brinkman	Heap	Marsh	Reding	Valan
Byrne	Heinitz	McCarron	Rees	Valento
Carlson, D.	Himle	McDonald	Reif	Vanasek
Carlson, L.	Hoberg	McEachern	Rice	Vellenga
Clark, J.	Hokanson	Mehrkens	Rodriguez, F.	Voss
Clark, K.	Hokr	Metzen	Rose	Weaver
Clawson	Jacobs	Minne	Rothenberg	Welch
Dahlvang	Jennings	Munger	Samuelson	Welker
Dempsey	Johnson, C.	Murphy	Sarna	Wenzel
Den Ouden	Johnson, D.	Nelsen, B.	Schafer	Wieser
Drew	Jude	Nelson, K.	Schoenfeld	Wigley
Eken	Kahn	Niehaus	Schreiber	Wynia
Elioff	Kaley	Norton	Searles	Zubay
Erickson	Kalis	Novak	Shea	Spkr. Sieben, H.
Esau	Kelly	Nysether	Sherman	

A quorum was present.

Dean, Ellingson, Evans, Ewald and Rodriguez, C., were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

## POINT OF ORDER

Peterson, B., raised a point of order regarding termination of the Third Special Session pursuant to House Rule 9.6 and Section 781, Paragraph 8, of "Mason's Manual of Legislative Procedure." The Speaker ruled the point of order not well taken.

Peterson, B., appealed the decision of the Speaker.

A roll call was requested and properly seconded.

Halberg was excused for the remainder of today's session.

## CALL OF THE HOUSE

On the motion of Sherwood and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Aasness	Fjoslien	Knickerbocker	O'Connor	Sherwood
Ainley	Forsythe	Kostohryz	Ogren	Sieben, M.
Anderson, B.	Frerichs	Kvam	Olsen	Simoneau
Anderson, G.	Greenfield	Laidig	Onnen	Skoglund
Anderson, I.	Gruenes	Lehto	Osthoff	Stadum
Anderson, R.	Gustafson	Lemen	Otis	Staten
Battaglia	Hanson	Levi	Peterson, B.	Stowell
Begich	Harens	Long	Peterson, D.	Stumpf
Berkelman	Hauge	Ludeman	Piepho	Sviggum
Blatz	Haukoos	Luknic	Pogemiller	Swanson
Brandl	Heap	Mann	Redalen	Tomlinson
Brinkman	Heinitz	Marsh	Reding	Valan
Byrne	Himle	McCarron	Rees	Valento
Carlson, L.	Hoberg	McDonald	Rice	Vanasek
Clark, J.	Hokanson	McEachern	Rodriguez, F.	Vellenga
Clark, K.	Hokr	Mehrrens	Rose	Voss
Clawson	Jacobs	Metzen	Rothenberg	Weaver
Dahlvang	Jennings	Minne	Samuelson	Welch
Dempsey	Johnson, C.	Munger	Sarna	Welker
Den Ouden	Johnson, D.	Murphy	Schafer	Wenzel
Drew	Jude	Nelsen, B.	Schoenfeld	Wieser
Eken	Kahn	Nelson, K.	Schreiber	Wigley
Elioff	Kaley	Niehaus	Searles	Wynia
Erickson	Kalis	Norton	Shea	Zubay
Esau	Kelly	Nysether	Sherman	Spkr. Sieben, H.

Eken moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 72 yeas and 53 nays as follows:

## Those who voted in the affirmative were:

Anderson, B.	Eken	Kostohryz	Ogren	Staten
Anderson, G.	Elioff	Lehto	Osthoff	Stowell
Anderson, I.	Greenfield	Levi	Otis	Stumpf
Anderson, R.	Gustafson	Long	Peterson, D.	Swanson
Battaglia	Hanson	Luknic	Pogemiller	Tomlinson
Begich	Harens	Mann	Reding	Vanasek
Berkelman	Hauge	McCarron	Rice	Vellenga
Brandl	Heinitz	McEachern	Rodriguez, F.	Voss
Brinkman	Hokanson	Metzen	Samuelson	Welch
Byrne	Jacobs	Minne	Sarna	Wenzel
Carlson, L.	Johnson, C.	Munger	Schoenfeld	Wynia
Clark, J.	Jude	Murphy	Shea	Spkr. Sieben, H.
Clark, K.	Kahn	Nelson, K.	Sieben, M.	
Clawson	Kalis	Norton	Simoneau	
Dahlvang	Kelly	O'Connor	Skoglund	

## Those who voted in the negative were:

Aasness	Gruenes	Lemen	Piepho	Stadum
Ainley	Haukoos	Ludeman	Redalen	Sviggum
Blatz	Heap	Marsh	Rees	Valan
Dempsey	Himle	McDonald	Reif	Valento
Den Ouden	Hoberg	Mehrkins	Rose	Weaver
Drew	Hokr	Nelsen, B.	Rothenberg	Welker
Erickson	Jennings	Niehaus	Schafer	Wieser
Esau	Johnson, D.	Nysether	Schreiber	Wigley
Fjoslien	Kaley	Olsen	Searles	Zubay
Forsythe	Kvam	Onnen	Sherman	
Frerichs	Laidig	Peterson, B.	Sherwood	

So it was the judgment of the House that the decision of the Speaker should stand.

## The following conference committee report was received:

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 4

A bill for an act relating to public welfare; altering certain provisions of the program of aid to families with dependent children; redefining the term "dependent child"; expanding the definition of persons ineligible; eliminating eligibility of the unborn; requiring rules to define "special needs" for eligible pregnant women; requiring recoupment of overpayments; requiring registration of certain dependent recipients for employment services, training, and employment; restricting the earned income disregard to four months; restricting work expense disregards; specifying the amount of stepparent income to be considered available in determining need; providing for voluntary third party payments; eliminating eligibility for recipients participating in a strike; eliminating a prepaid funeral contract and reverse mortgage loan guarantees as disregarded resources; modifying the service fee for child support collection services; modifying the resource limits for recipients of aid to families with dependent children; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980,

Sections 256.12, Subdivision 14; 256.73, Subdivisions 3a, 5, 6, and by adding a subdivision; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.81; 256.935, Subdivision 2; 256.99; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1981 Supplement, Section 257.021.

January 13, 1982

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 4, report that we have agreed upon the items in dispute and recommend as follows:

The Senate recede from its amendment and that H. F. No. 4 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 256.12, Subdivision 14, is amended to read:

Subd. 14. [DEPENDENT CHILD.] "Dependent child," as used in sections 256.72 to 256.87 and 256.872, means a child under the age of 18 years, or a child under the age of 19 years who is regularly attending as a full time student (AT), and is expected to complete before reaching age 19, a high school (, COLLEGE, OR UNIVERSITY, OR REGULARLY ATTENDING AS A FULL TIME STUDENT IN) or a secondary level course of vocational or technical training designed to fit him for gainful employment, who is found to be deprived of parental support or care by reason of the death, continued absence from the home, physical or mental incapacity of a parent, or who is a child of an unemployed (FATHER) parent as that term is defined by the commissioner of public welfare, such definition to be consistent with (,) and not to exceed minimum standards established by the congress of the United States and the secretary of health (, EDUCATION) and (WELFARE) human services, and whose relatives, liable under the law for his support are not able to provide adequate care and support of (SUCH) the child, and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece in a place of residence maintained by one or more of (SUCH) these relatives as his or their home.

The term "dependent child" (SHALL) also (MEAN) means a child who has been removed from the home of a relative after a judicial determination that continuance in the home would be contrary to the welfare and best interests of the child and whose care and placement in a foster home or a private licensed child care institution is, in accordance with the rules (AND REGULATIONS) of the commissioner, the responsibility of the state or county agency under sections 256.72 to 256.87. *This child is eligible for benefits only through the foster care and adoption assistance program contained in Title IV-E of the Social Security Act, 42 U.S.C. 670 to 676, and is not entitled to benefits under sections 256.72 to 256.87.*

Sec. 2. Minnesota Statutes 1980, Section 256.12, is amended by adding a subdivision to read:

*Subd. 20. [ASSISTANCE UNIT.] "Assistance unit" means the group of individuals whose needs or income, or both, are taken into account in determining eligibility for or the amount of a grant of assistance under sections 256.72 to 256.87.*

Sec. 3. Minnesota Statutes 1980, Section 256.12, is amended by adding a subdivision to read:

*Subd. 21. [CARETAKER RELATIVE.] "Caretaker relative" means a relative specified by rule to be an eligible relative and who exercises responsibility for the care and control of the dependent child.*

Sec. 4. Minnesota Statutes 1980, Section 256.12, is amended by adding a subdivision to read:

*Subd. 22. [PRINCIPAL EARNER.] "Principal earner" means, in a home where both parents of the dependent child live, the parent who earned the greater amount of income in the 24-month period immediately preceding the month of application.*

Sec. 5. Minnesota Statutes 1981 Supplement, Section 256.73, Subdivision 2, is amended to read:

**Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] (EXCEPT AS PROVIDED IN CLAUSE (3), THE) Ownership by the father, mother, child, children, or any combination (THEREOF), of property as follows (SHALL BE) is a bar to any allowance under sections 256.72 to 256.87:**

(1) Real property other than the homestead (, EXCEPT AS DESCRIBED IN CLAUSE (3)). For the purposes of this section "homestead" means the house owned and occupied by the (APPLICANT) child, relative or other member of the assistance unit as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a

platted or laid out city or town (OR THE SMALLEST PARCEL ALLOWED UNDER APPLICABLE ZONING REGULATIONS) or 80 contiguous acres in unplatted land; or

(2) Personal property of (A REASONABLE MARKET) *an equity value in excess of (\$400) \$1,000 for (A ONE CHILD RECIPIENT) OR \$600 FOR MORE THAN ONE CHILD RECIPIENT) the entire assistance unit, exclusive of personal property used as the home, one (AUTOMOBILE, INSURANCE CARRIED BY A PARENT WHICH DOES NOT EXCEED A CASH SURRENDER VALUE OF \$500) motor vehicle of an equity value not exceeding \$1,500, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, (THE EARNINGS OF A DEPENDENT CHILD WHICH ARE PLACED IN A SAVINGS ACCOUNT TO BE USED FOR A FUTURE PURPOSE APPROVED BY THE COUNTY AGENCY) in accordance with (THE) rules (OF) promulgated by and standards established by the commissioner of public welfare (, AND SUCH PROPERTY THAT PRODUCES A NET INCOME APPLICABLE TO THE FAMILY'S NEEDS.)*

((3) REAL ESTATE NOT USED AS A HOME WHICH PRODUCES NET INCOME APPLICABLE TO THE FAMILY'S NEEDS, WHICH THE FAMILY IS MAKING A CONTINUING EFFORT TO SELL AT A FAIR AND REASONABLE PRICE, OR THE SALE OF WHICH WOULD NET AN INSIGNIFICANT AMOUNT OF INCOME APPLICABLE TO THE FAMILY'S NEEDS OR WOULD CAUSE UNDUE HARDSHIP. AS DETERMINED BY THE COMMISSIONER, SHALL NOT BE A BAR TO AN ALLOWANCE UNDER SECTIONS 256.72 TO 256.87. NET INCOME SHALL BE THE RESIDUE AFTER PAYMENT FROM GROSS INCOME OF TAXES, INSURANCE, MAINTENANCE, AND INTEREST ON ENCUMBRANCES, IF ANY, ON THE PROPERTY, PROVIDED THAT IN COMPUTING NET INCOME THE GROSS INCOME SHALL NOT BE CHARGED WITH ANY EXPENSES TOWARD BETTERMENT OF THE PROPERTY AS IMPROVEMENTS OR BY PAYMENT ON THE PRINCIPAL OF A MORTGAGE; PROVIDED, THAT THE NET INCOME THUS DERIVED SHALL BE APPLIED ON THE FAMILY BUDGET).

Sec. 6. Minnesota Statutes 1980, Section 256.73, Subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) On behalf of any person who is receiving supplemental security income under title XVI of the social security act unless permitted by federal regulations;

(2) *For any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds 150 percent of the standard of need for a family of the same size and composition. If a stepparent's income is taken into account in determining need, the disregards specified in section 12 shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;*

(3) *To any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;*

(4) *On behalf of any other individual in the assistance unit, nor shall the individual's needs be taken into account, for any month in which, on the last day of the month, the individual is participating in a strike;*

(5) *To an assistance unit if its eligibility is based on a parent's unemployment and the parent who is the principal earner, without good cause, fails or refuses to participate in the work incentive program under section 256.736, to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.*

Sec. 7. Minnesota Statutes 1980, Section 256.73, Subdivision 5, is amended to read:

**Subd. 5. [PREGNANT WOMEN WITH NO CHILDREN.]**

(a) *For the purposes of sections 256.72 to 256.87, (DEPENDENT CHILDREN SHALL INCLUDE THE UNBORN) assistance payments shall be made during the final three months of pregnancy (AND, INsofar AS POSSIBLE, THE PROVISIONS APPLICABLE TO DEPENDENT CHILDREN SHALL ALSO BE APPLICABLE TO THE UNBORN DURING THE FINAL THREE MONTHS OF PREGNANCY) to a woman who has no other children but who otherwise qualifies for assistance. No payments shall be made for the needs of the unborn or for any special needs occasioned by the pregnancy except as provided in clause (b). The commissioner of public welfare shall promulgate, pursuant to the administrative procedures act, (REGULATIONS) rules to implement this subdivision.*

(b) *The commissioner may, according to rules, make payments for the purpose of meeting special needs occasioned by or resulting from pregnancy both for a pregnant woman with no other children as well as for a pregnant woman receiving assistance as provided in sections 256.72 to 256.87. The special needs payments shall be dependent upon the needs of the pregnant woman and the resources allocated to the county by the commissioner and shall be limited to payments for medically recognized special or supplemental diet needs and the purchase*

*of a crib and necessary clothing for the future needs of the unborn child at birth.*

Sec. 8. Minnesota Statutes 1980, Section 256.73, Subdivision 6, is amended to read:

Subd. 6. [REPORTS BY RECIPIENT.] Each recipient shall complete reports as requested by the local or state agency. All (NET EARNED OR UNEARNED) income not specifically disregarded by the social security act, the code of federal regulations, or state law, rules and regulations, shall be income applicable to the budgetary needs of the family. If any amount of aid to families with dependent children assistance is paid to a recipient thereof in excess of the payment due it shall be recoverable by the local agency. (IF THE AGENCY NOTIFIES THE RECIPIENT IN WRITING OF AN OVERPAYMENT DUE SOLELY TO LOCAL AGENCY ERROR WITHIN THREE MONTHS AFTER THE OVERPAYMENT, THE AGENCY MAY COMMENCE RECOVERY OF THE OVERPAYMENT DURING THE YEAR AFTER THE NOTIFICATION IS RECEIVED BY THE RECIPIENT.) The agency shall give written notice (SHALL INFORM) to the recipient of (THE AGENCY'S) its intention to recover the overpayment. Overpayments to a current assistance unit shall be recovered either through repayment by the individual in part or in full or by reducing the amount of aid payable to the assistance unit of which the individual is a member. For any month in which an overpayment must be recovered, recoupment may be made by reducing the grant but only if the reduced assistance payment, together with the assistance unit's liquid assets and total income after deducting actual work expenses equals at least 95 percent of the standard of need for the assistance unit, except that if the overpayment is due solely to agency error, this total after deducting actual work expenses shall equal at least 99 percent of the standard of need. In cases when there is both an overpayment and underpayment the local agency shall offset one against the other in correcting the payment. The recipient may appeal the agency's determination that an overpayment has occurred in accordance with section 256.045. The county agency shall promptly repay the recipient for any underpayment and shall disregard that payment when determining the assistance unit's income and resources in the month when the payment is made and the following month.

Sec. 9. Minnesota Statutes 1980, Section 256.736, Subdivision 3, is amended to read:

Subd. 3. [OPERATION OF PROGRAM.] To determine who shall be designated as an appropriate individual for certification to the commissioner of economic security, the commissioner of public welfare shall provide standards for county welfare agencies and human services boards consistent with the standards promulgated by the secretary of health (, EDUCA-



TION,) and (WELFARE) *human services*. County welfare agencies shall certify appropriate individuals to the commissioner of economic security and shall require that every individual, as a condition of receiving aid to families with dependent children, register for employment services, training, and employment, unless such individual is:

(1) *a child who is under age 16 (OR), a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, or a full-time student age 18 who is attending a secondary school or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;*

(2) *a person who is ill, incapacitated or of advanced age;*

(3) *a person so remote from a work incentive project that his effective participation is precluded;*

(4) *a person whose presence in the home is required because of illness or incapacity of another member of the household;*

(5) *a (MOTHER) parent or other caretaker relative of a child under the age of six who (IS CARING) personally provides full-time care for the child; (OR)*

(6) **(THE MOTHER OR OTHER FEMALE CARETAKER OF A CHILD IF THE FATHER OR ANOTHER ADULT MALE RELATIVE IS IN THE HOME AND NOT EXCLUDED BY CLAUSE (1), (2), (3), OR (4), UNLESS HE HAS FAILED TO REGISTER AS REQUIRED BY THIS SUBDIVISION OR HAS BEEN FOUND BY THE COMMISSIONER OF ECONOMIC SECURITY TO HAVE REFUSED WITHOUT GOOD CAUSE TO PARTICIPATE UNDER A WORK INCENTIVE PROGRAM OR ACCEPT EMPLOYMENT)** *a parent or other caretaker if another adult relative in the house is registered and has not, without good cause, failed or refused to participate or accept employment; or*

(7) *a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to (6).*

Any individual referred to in clause (5) shall be advised of (HER) *the option to register for employment services, training, and employment if (SHE) the individual so desires, and shall be informed of the child care services, if any, which will be available (TO HER IN THE EVENT SHE SHOULD DECIDE) if the individual decides to register.*

If, after planning with a recipient, a decision is made that (HE) *the recipient must register for employment services,*

training, and employment, the county welfare department shall give notice in writing to the (INDIVIDUAL) *recipient* stating that he *or she* must register with the commissioner of economic security for participation in a work incentive program and that (HE) *the recipient* has a right to a fair hearing under section 256.045 with respect to the appropriateness of (HIS) *the* registration.

Sec. 10. Minnesota Statutes 1980, Section 256.736, Subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of public welfare shall:

(1) Arrange for or provide any relative or child certified to the commissioner of economic security pursuant to this section with child-care services and other necessary family services;

(2) Pay ten percent of the cost of programs of training and employment established by the commissioner of economic security for persons certified hereunder;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of economic security is disregarded and the additional expenses attributable to his participation in a program are taken into account in grant determination; *and*

(4) Provide that when it has been certified by the commissioner of economic security, certification to be binding upon the commissioner of public welfare, that a relative or child certified under the work incentive program to the commissioner of economic security has been found by the commissioner, after a hearing conducted in the manner prescribed by section 268.10, subdivision 3, with the right of review in accordance with the provisions of section 268.10, subdivision 8, to have refused without good cause to participate under a work incentive program or to have refused without good cause to accept a bona fide offer of public or other employment, the county welfare departments shall provide that:

(a) If the relative makes the refusal, the relative's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of vendor payments.

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal will be denied

and his needs will not be taken into account in making the grant determination (; AND)

((D) NOTWITHSTANDING THE OTHER PROVISIONS OF THIS SUBDIVISION, THE COUNTY WELFARE DEPARTMENT SHALL, FOR A PERIOD OF 60 DAYS AFTER NOTIFICATION OF THE COMMISSIONER OF ECONOMIC SECURITY DETERMINATION OF REFUSAL WITHOUT CAUSE TO PARTICIPATE IN A PROGRAM OF TRAINING OR EMPLOYMENT, MAKE VENDOR PAYMENTS ON BEHALF OF THE RELATIVE SPECIFIED OR CONTINUE AID IN THE CASE OF A CHILD SPECIFIED, IF DURING THE 60 DAY PERIOD THE CHILD OR RELATIVE ACCEPTS COUNSELING OR OTHER SERVICES WHICH THE COUNTY WELFARE DEPARTMENT SHALL MAKE AVAILABLE FOR THE PURPOSE OF ASSISTING THE CHILD OR RELATIVE TO PARTICIPATE IN A PROGRAM IN ACCORDANCE WITH THE DETERMINATION OF THE COMMISSIONER OF ECONOMIC SECURITY). *If the assistance unit's eligibility is based on the principal earner's unemployment and the principal earner fails or refuses without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87.*

Sec. 11. Minnesota Statutes 1980, Section 256.74, Subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for (SUCH) the dependent child shall be determined by the county agency (WITH DUE REGARD TO THE RESOURCES AND NECESSARY EXPENDITURES OF THE FAMILY AND THE CONDITIONS EXISTING IN EACH CASE AND) in accordance with (THE) rules (AND REGULATIONS MADE) *promulgated* by the (STATE AGENCY) *commissioner* and shall be sufficient, when added to all other income and support available to the child, to provide (SUCH) *the* child with a reasonable subsistence compatible with decency and health. *The amount shall be based on the method of budgeting required in Public Law No. 97-35, Section 2315, 42 U.S.C. 602, as amended and federal regulations at 45 C.F.R. Section 233.* In making its determination the county agency shall (EXCLUDE) *disregard* the following from family income:

(1) All of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment;

(2) All educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial

need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance; (AND)

(3) *The first \$75 of each individual's earned income. In the case of an individual not engaged in full-time employment or not employed throughout the month the commissioner shall prescribe by rule a lesser amount to be disregarded. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;*

(4) *An amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded; and*

(5) (THE FIRST \$30) *Thirty dollars plus one-third of the remainder of (THE COMBINED MONTHLY EARNINGS OF ANY DEPENDENT CHILD NOT INCLUDED UNDER CLAUSE (1), AND ANY ADULT WHO IS A RECIPIENT OF AID FOR FAMILIES WITH DEPENDENT CHILDREN) each individual's earned income not already disregarded for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause ((2)) any earned income of any person who has:*

(a) *Reduced his earned income without good cause within 30 days preceding any month in which an assistance payment is made; or*

(b) *Refused without good cause to accept an offer of suitable employment; or*

(c) *Left employment or reduced his earnings without good cause and applied for assistance so that he might later return to employment with the advantage of the income disregarded; or*

(d) *Failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of public welfare.*

Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public

assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment. (IF AN INDIVIDUAL WITHOUT GOOD CAUSE LEAVES EMPLOYMENT OR REDUCES HIS EARNINGS AND APPLIES FOR ASSISTANCE SO THAT HE MIGHT LATER RETURN TO EMPLOYMENT WITH ADVANTAGES OF INCOME DISREGARD, HE SHALL NOT HAVE THE BENEFIT OF THE DISREGARD OF INCOME PROVISIONS.)

*The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clause (5)(a) to (5)(d) shall be considered as one of the four months. To again qualify for this earned income disregard, the individual must not be a recipient of aid for a period of 12 consecutive months. If an individual becomes ineligible for aid because this earned income disregard has been applied to income for four consecutive months and will no longer be applied to income, the local agency shall inform the individual of the medical assistance program, its standards of eligibility, and the circumstances under which the individual would be eligible for medical assistance.*

Sec. 12. Minnesota Statutes 1980, Section 256.74, is amended by adding a subdivision to read:

*Subd. 1a. [STEPPARENT'S INCOME.] In determining income available, the county agency shall take into account the remaining income of the dependent child's stepparent who lives in the same household after disregarding:*

*(1) The first \$75 of the stepparent's gross earned income. The commissioner shall prescribe by rule lesser amounts to be disregarded for stepparents who are not engaged in full-time employment or not employed throughout the month;*

*(2) An amount for support of the stepparent and any other individuals whom the stepparent claims as dependents for tax purposes and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.72 to 256.87. The amount equals the standard of need for a family of the same composition as the stepparent and these other individuals;*

*(3) Amounts the stepparent actually paid to individuals not living in the same household but whom the stepparent claims as dependents for tax purposes; and*

(4) *Alimony or child support, or both, paid by the step-parent for individuals not living in the same household.*

Sec. 13. [256.851] [RULES.]

*The commissioner of public welfare shall promulgate temporary and permanent rules necessary to implement sections 1 to 19.*

Sec. 14. Minnesota Statutes 1981 Supplement, Section 256.872, Subdivision 1, is amended to read:

Subdivision 1. [WITHHOLDING ORDER.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, has been determined and ordered by a court of this state, the public agency responsible for child support enforcement may move and the district or county court shall grant an order providing for the withholding of the amount of child support or maintenance as determined by court order, from the income, regardless of source of the person obligated to pay the support or maintenance. *If the public agency responsible for child support enforcement determines that the obligor's arrearages have accumulated for more than one month, and if the agency is not pursuing another appropriate remedy, the agency shall move the district or county court for an order for withholding under this section or shall document a reason or reasons why withholding would not result in payment being made.* "Income" means any form of periodic payments to an individual, including, but not limited to, wages, salary, income as an independent contractor, workers' compensation, unemployment compensation, annuity, military and naval retirement, pension and disability payments.

Sec. 15. Minnesota Statutes 1981 Supplement, Section 256.872, is amended by adding a subdivision to read:

Subd. 4. [REPORT.] *The commissioner shall report to the appropriate legislative committees by January 15, 1983, on the extent to which the local public agencies responsible for child support enforcement comply with this section and with sections 518.54 to 518.66.*

Sec. 16. Minnesota Statutes 1980, Section 256.99, is amended to read:

256.99 [REVERSE MORTGAGE PROCEEDS DISREGARDED.]

All reverse mortgage loan proceeds received pursuant to section 47.58, including interest or earnings thereon, shall be disregarded and shall not be considered available to the borrower for purposes of determining initial or continuing eligi-

bility for, or amount of, medical assistance (OR ANY OTHER PUBLIC ASSISTANCE PROGRAM), *Minnesota supplemental assistance, general assistance, general assistance medical care, or a federal or state low interest loan or grant.* This section applies regardless of the time elapsed since the loan was made or the disposition of the proceeds.

Sec. 17. Minnesota Statutes 1981 Supplement, Section 256B.-06, Subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is eligible for or receiving public assistance, *or a woman who is pregnant, as medically verified, and who would be eligible for assistance under the aid to families with dependent children program if the child had been born and living with the woman; or*

(2) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

(3) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(4) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(5) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(6) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(7) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town or (THE SMALLEST PARCEL ALLOWED UNDER APPLICABLE ZONING REGULATIONS) *80 contiguous acres* in unplatted land. *Occupancy or exemption shall be determined as provided in chapter 510 and applicable law, including continuing exemption by filing notice under section 510.07.* Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell

it at a fair and reasonable price or unless sale of the real estate would net an insignificant amount of income applicable to the family's needs, or unless the commissioner determines that sale of the real estate would cause undue hardship; and

(8) Who individually does not own more than \$2,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$4,000 in cash or liquid assets, plus \$200 for each additional legal dependent. When only one spouse resides, or will reside after applying for medical assistance, in a nursing home, or is receiving or will receive alternative care under the alternative care grants program in a county with preadmission screening under section 256B.091, the cash or liquid asset amount for two family members is \$10,000. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(9) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (husband and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income of social security or supplementary security income recipients due solely to increases required by sections 215(i) and 1617 of the social security act, and shall disregard income of disabled persons that is also disregarded in determining eligibility for supplemental aid under section 256D.37, subdivision 1, unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(10) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a sched-



ule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

(11) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 18. Minnesota Statutes 1980, Section 256B.07, is amended to read:

**256B.07 [EXCEPTIONS IN DETERMINING RESOURCES.]**

A local agency may, within the scope of regulations set by the commissioner of public welfare, waive the requirement of liquidation of excess assets when the liquidation would cause undue hardship. Household goods and furniture in use in the home, wearing apparel, insurance policies with cash surrender value not in excess of \$1,500 per insured person, personal property used as a regular abode by the applicant or recipient, *a prepaid funeral contract not in excess of \$750 per person plus accrued interest of not more than \$200*, and a lot in a burial plot shall not be considered as resources available to meet medical needs.

Sec. 19. Minnesota Statutes 1981 Supplement, Section 518.-551, Subdivision 7, is amended to read:

Subd. 7. [SERVICE FEE.] When the public agency responsible for child support enforcement provides child support collection services either to a public assistance recipient or to a party who does not receive public assistance, the public agency may upon written notice to the obligor charge a monthly collection fee equivalent to the full monthly cost to the county of providing collection services, in addition to the amount of the child support which was ordered by the court. The fee shall be deposited in the county general fund. The service fee assessed is limited to ten percent of the monthly court ordered child

support and shall not be assessed to obligors who are current in payment of the monthly court ordered child support. No fee shall be imposed on the party who requests child support collection services.

*However, the limitations of this subdivision on the assessment of fees shall not apply to the extent inconsistent with the requirements of federal law for receiving funds for the programs under Title IV-A and Title IV-D of the Social Security Act, 42 U.S.C. 601 to 613 and 42 U.S.C. 651 to 662.*

Sec. 20. [REPEALER.]

*Minnesota Statutes 1980, Section 256.935, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 257.021, are repealed.*

Sec. 21. [EFFECTIVE DATE.]

*Sections 1 to 20 are effective February 1, 1982."*

Amend the title as follows :

Delete lines 2 to 32 and insert "relating to public welfare; changing certain provisions governing aid to families with dependent children as authorized or required by federal law; changing or adding provisions governing definitions, eligibility standards, payment levels and amounts, income disregards, budgeting methods, child support or maintenance orders; eliminating a stepparents' general support duty and specifying the amount of stepparent income to be considered available in determining need; eliminating coverage of the unborn; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14, and by adding subdivisions; 256.73, Subdivisions 3a, 5, and 6; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.99; and 256B.07; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256.872, Subdivision 1, and by adding a subdivision; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1980, Section 256.935, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 257.021."

We request adoption of this report and repassage of the bill.

House Conferees: O. J. HEINITZ, DON SAMUELSON and SHIRLEY A. HOKANSON.

Senate Conferees: DUANE D. BENSON, GERRY SIKORSKI and LINDA BERGLIN.

Heinitz moved that the report of the Conference Committee on H. F. No. 4 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

#### CALL OF THE HOUSE LIFTED

Nelsen, B., moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

H. F. No. 4, A bill for an act relating to public welfare; altering certain provisions of the program of aid to families with dependent children; redefining the term "dependent child"; expanding the definition of persons ineligible; eliminating eligibility of the unborn; requiring rules to define "special needs" for eligible pregnant women; requiring recoupment of overpayments; requiring registration of certain dependent recipients for employment services, training, and employment; restricting the earned income disregard to four months; restricting work expense disregards; specifying the amount of stepparent income to be considered available in determining need; providing for voluntary third party payments; eliminating eligibility for recipients participating in a strike; eliminating a prepaid funeral contract and reverse mortgage loan guarantees as disregarded resources; modifying the service fee for child support collection services; modifying the resource limits for recipients of aid to families with dependent children; extending medical assistance coverage to certain pregnant women; amending Minnesota Statutes 1980, Sections 256.12, Subdivision 14; 256.73, Subdivisions 3a, 5, 6, and by adding a subdivision; 256.736, Subdivisions 3 and 4; 256.74, Subdivision 1, and by adding a subdivision; 256.81; 256.935, Subdivision 2; 256.99; Minnesota Statutes 1981 Supplement, Sections 256.73, Subdivision 2; 256B.06, Subdivision 1; and 518.551, Subdivision 7; proposing new law coded in Minnesota Statutes, Chapter 256; repealing Minnesota Statutes 1981 Supplement, Section 257.021.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 105 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Aasness	Carlson, D.	Esau	Hokanson	Kostohryz
Anderson, B.	Carlson, L.	Fjoslien	Hokr	Kvam
Anderson, G.	Clark, J.	Forsythe	Jacobs	Laidig
Anderson, I.	Clawson	Frerichs	Jennings	Lemen
Anderson, R.	Dahlyang	Gruenes	Johnson, C.	Levi
Battaglia	Dempsey	Hauge	Johnson, D.	Luknic
Begich	Den Ouden	Haukoos	Jude	Mann
Berkelman	Drew	Heap	Kaley	Marsh
Blatz	Eken	Heinitz	Kalis	McDonald
Brandl	EHoff	Himle	Kelly	McEachern
Brinkman	Erickson	Hoberg	Knickerbocker	Mehrkens

Metzen	Peterson, B.	Samuelson	Skoglund	Voss
Minne	Peterson, D.	Sarna	Stadum	Weaver
Murphy	Piepho	Schafer	Stowell	Welch
Nelsen, B.	Redalen	Schoenfeld	Stumpf	Welker
Niehaus	Reding	Schreiber	Sviggum	Wenzel
Nysether	Rees	Searles	Swanson	Wieser
Ogren	Reif	Shea	Tomlinson	Wigley
Olsen	Rodriguez, F.	Sherman	Valan	Wynia
Onnen	Rose	Sherwood	Valento	Zubay
Osthoff	Rothenberg	Sieben, M.	Vanasek	Spkr. Sieben, H.

Those who voted in the negative were:

Byrne	Hanson	Long	Norton	Rice
Clark, K.	Harens	McCarron	O'Connor	Simoneau
Greenfield	Kahn	Munger	Otis	Staten
Gustafson	Lehto	Nelson, K.	Pogemiller	Vellenga

The bill was repassed, as amended by Conference, and its title agreed to.

#### ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 10:00 a.m., Monday, January 18, 1982. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Monday, January 18, 1982.

EDWARD A. BURDICK, Chief Clerk, House of Representatives