



- 2.1 (7) turning and positioning;
- 2.2 (8) assistance with furnishing medication that is self-administered;
- 2.3 (9) application and maintenance of prosthetics and orthotics;
- 2.4 (10) cleaning medical equipment;
- 2.5 (11) dressing or undressing;
- 2.6 (12) assistance with eating and meal preparation and necessary grocery shopping;
- 2.7 (13) accompanying a recipient to obtain medical diagnosis or treatment;
- 2.8 (14) assisting, monitoring, or prompting the recipient to complete the services in
- 2.9 clauses (1) to (13);
- 2.10 (15) redirection, monitoring, and observation that are medically necessary and an
- 2.11 integral part of completing the personal care assistant services described in clauses (1) to
- 2.12 (14);
- 2.13 (16) redirection and intervention for behavior, including observation and monitoring;
- 2.14 (17) interventions for seizure disorders, including monitoring and observation if the
- 2.15 recipient has had a seizure that requires intervention within the past three months;
- 2.16 (18) tracheostomy suctioning using a clean procedure if the procedure is properly
- 2.17 delegated by a registered nurse. Before this procedure can be delegated to a personal
- 2.18 care assistant, a registered nurse must determine that the tracheostomy suctioning can be
- 2.19 accomplished utilizing a clean rather than a sterile procedure and must ensure that the
- 2.20 personal care assistant has been taught the proper procedure; and
- 2.21 (19) incidental household services that are an integral part of a personal care service
- 2.22 described in clauses (1) to (18).

2.23 For purposes of this subdivision, monitoring and observation means watching for outward

2.24 visible signs that are likely to occur and for which there is a covered personal care service

2.25 or an appropriate personal care intervention. For purposes of this subdivision, a clean

2.26 procedure refers to a procedure that reduces the numbers of microorganisms or prevents or

2.27 reduces the transmission of microorganisms from one person or place to another. A clean

2.28 procedure may be used beginning 14 days after insertion.

2.29 (d) The personal care assistant services that are not eligible for payment are the

2.30 following:

- 2.31 (1) services provided without a physician's statement of need as required by section
- 2.32 256B.0625, subdivision 19c, and included in the personal care provider agency's file for
- 2.33 the recipient;
- 2.34 (2) assessments by personal care assistant provider organizations or by independently
- 2.35 enrolled registered nurses;
- 2.36 (3) services that are not in the service plan;

3.1 (4) services provided by the recipient's spouse, legal guardian for an adult or child  
3 recipient, or parent of a recipient under age 18;

3.3 (5) services provided by a foster care provider of a recipient who cannot direct the  
3.4 recipient's own care, unless monitored by a county or state case manager under section  
3.5 256B.0625, subdivision 19a;

3.6 (6) services provided by the residential or program license holder in a residence for  
3.7 more than four persons;

3.8 (7) services that are the responsibility of a residential or program license holder  
3.9 under the terms of a service agreement and administrative rules;

3.10 (8) sterile procedures;

3.11 (9) injections of fluids into veins, muscles, or skin;

3.12 (10) homemaker services that are not an integral part of a personal care assistant  
3.13 services;

3.14 (11) home maintenance or chore services;

3.15 (12) services not specified under paragraph (a); and

3.16 (13) services not authorized by the commissioner or the commissioner's designee.

3.17 (e) The recipient or responsible party may choose to supervise the personal care  
3.18 assistant or to have a qualified professional, as defined in section 256B.0625, subdivision  
3.19 19c, provide the supervision. As required under section 256B.0625, subdivision 19c,  
3.20 the county public health nurse, as a part of the assessment, will assist the recipient or  
3.21 responsible party to identify the most appropriate person to provide supervision of the  
3.22 personal care assistant. Health-related delegated tasks performed by the personal care  
3.23 assistant will be under the supervision of a qualified professional or the direction of the  
3.24 recipient's physician. If the recipient has a qualified professional, Minnesota Rules, part  
3.25 9505.0335, subpart 4, applies.

3.26 (f) In order to be paid for personal care assistant services, personal care provider  
3.27 organizations, and personal care assistant choice providers are required:

3.28 (1) to maintain a recipient file for each recipient for whom services are being billed  
3.29 that contains:

3.30 (i) the current physician's statement of need as required by section 256B.0625,  
3.31 subdivision 19c;

3.32 (ii) the service plan, including the monthly authorized hours, or flexible use plan;

3.33 (iii) the care plan, signed by the recipient and the qualified professional, if required  
3.34 or designated, detailing the personal care assistant services to be provided;

3.35 (iv) documentation, on a form approved by the commissioner and signed by the  
3.36 personal care assistant, specifying the day, month, year, arrival, and departure times, with

4.1 AM and PM notation, for all services provided to the recipient. The form must include a  
4.2 notice that it is a federal crime to provide false information on personal care service  
4.3 billings for medical assistance payment; and

4.4 (v) all notices to the recipient regarding personal care service use exceeding  
4.5 authorized hours; and

4.6 (2) to communicate, by telephone if available, and in writing, with the recipient or  
4.7 the responsible party about the schedule for use of authorized hours and to notify the  
4.8 recipient and the county public health nurse in advance and as soon as possible, on a form  
4.9 approved by the commissioner, if the monthly number of hours authorized is likely to be  
4.10 exceeded for the month.

4.11 (g) The commissioner shall establish an ongoing audit process for potential fraud  
4.12 and abuse for personal care assistant services. The audit process must include, at a  
4.13 minimum, a requirement that the documentation of hours of care provided be on a form  
4.14 approved by the commissioner and include the personal care assistant's signature attesting  
4.15 that the hours shown on each bill were provided by the personal care assistant on the dates  
4.16 and the times specified.

4.17 (h) The commissioner shall not implement until July 1, 2007, the documentation  
4.18 and reporting requirements in paragraph (f), clause (1), items (iv) and (v), and clause (2),  
4.19 and paragraph (g), for providers that employ personal care assistants using pooled or  
4.20 shared hours in corporate foster care or other settings or for providers serving recipients  
4.21 who choose to pool personal care assistant hours in order to have staff available 24 hours  
4.22 per day. This paragraph applies to all personal care assistants employed by providers that  
4.23 use shared or pooled hours. The commissioner shall work with providers covered by this  
4.24 paragraph to develop reasonable and appropriate documentation requirements or options  
4.25 for alternative services for affected recipients and report the results of that effort to the  
4.26 legislature by January 15, 2007.

4.27 **EFFECTIVE DATE.** This section is effective retroactive to March 1, 2006.

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

**Senate**  
State of Minnesota

**S.F. No. 3095 - Delaying Certain Personal Care Assistant  
Documentation Requirements**

**Author:** Senator Linda Berglin  
**Prepared by:** David Giel, Senate Research (296-7178)  
**Date:** March 27, 2006



---

**Section 1 (256B.0655, subdivision 2)** delays for one year, until July 1, 2007, the application of certain documentation and reporting requirements to providers of personal care assistant (PCA) services using pooled or shared hours and to service providers who pool PCA hours in order to have staff available 24 hours per day.

The delay applies to the following documenting and reporting requirements:

- that documentation be maintained specifying the day, month, year, and arrival and departure times for all services provided to the recipient;
- that documentation be maintained of all notices to the recipient regarding PCA use exceeding authorized hours;
- that the provider communicate with the recipient about the schedule for use of authorized hours and notify the recipient and the county in advance if the monthly number of hours is likely to be exceeded; and
- that the provider comply with an ongoing audit process to be established by the Department of Human Services (DHS), which must include a requirement that providers document hours of care provided as attested by the PCA.

This section directs DHS to work with providers given a compliance delay to develop reasonable documentation requirements or options for alternative services for affected recipients. The results of that effort must be reported to the 2007 Legislature.

DG:rdt

**Fiscal Note – 2005-06 Session**

**Bill #:** S3095-0 **Complete Date:** 03/24/06

**Chief Author:** BERGLIN, LINDA

**Title:** DELAY PERS CARE ASST DOC IMPLEMENT

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

**Agency Name:** Human Services Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
<b>Expenditures</b>					
General Fund		787	2,631	0	0
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund		787	2,631	0	0
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund		787	2,631	0	0
<b>Total Cost &lt;Savings&gt; to the State</b>		787	2,631	0	0

	FY05	FY06	FY07	FY08	FY09
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

**NARRATIVE: HF 3557/SF 3095**

**Bill Description**

Section 1, subd. 2)h) of the bill suspends the documentation and reporting requirements of certain providers of personal care assistant services who provide services, using pooled or shared hours in corporate foster care or other settings. It requires the commissioner to work with these providers to develop reasonable and appropriate documentation requirements and report to the legislature by January 15, 2007. The effective date of the section is March 1, 2006.

The PCA documentation provisions referenced in the bill were passed by the 2005 legislature to correct deficiencies in program integrity for PCA services.

**Assumptions**

1. The current statute is consistent with federal requirements, the Medicaid State Plan, Minnesota Statutes and Rules which require documentation of actual services to individual clients for all PCA services. This is required for all Medicaid reimbursable services.
2. About 25% of the affected recipients are on waivers and can get their supervision paid for using different service codes. PCA providers of shared care already comply with the documentation requirements of (iv) & (v).
3. A suspension of the documentation requirements could result in potential federal disallowances for services to the class of recipients affected by the suspension. A loss of federal funding for this entire class of recipients would approach \$20 million in SFY 2007.
4. It is estimated that as many as 800 client's PCA services are being billed in this manner. It is assumed that at least 10% of the payments to these types of providers are not appropriate.

**Expenditure and/or Revenue Formula**

	FY2006	FY2007	FY2008	FY2009
Estimated PCA spending (2/06 Forecast)	\$276,094,677	\$307,470,128		
% of Budget Affected-Actual Pooled Care*	8.9%	8.9%		
% of Budget-Affected-Additional Pooled Care*	8.2%	8.2%		
Total % of Budget*	17.1%	17.1%		
Percent of Year Affected	33.3%	100.0%		
Total Budget Affected	\$15,747,828	\$52,612,243		
Estimated Difference in Payment	10%	10%		
Total MA Cost	\$1,574,783	\$5,261,224		
State Share (50%)	\$787,391	\$2,630,612		

State Budget (000's) MA Waivers and Homecare      787                      2,631                      \$0                      \$0

\*Percent of budget is based on actual CY reports of the number of recipients and total costs of providers of shared or pooled care compared to total PCA expenditures. In CY 2006 there were 1,674 recipients receiving 44,648,335 dollars of PCA services in congregate settings. Total PCA expenditures for CY 2005 were \$260,928,402.

**Long-Term Fiscal Considerations**

None, due to the effective dates of the bill.

**Local Government Costs**

None

**References/Sources**

February 2006 Forecast  
Health Care Operations  
Continuing Care Research and Analysis

Agency Contact Name: Vicki Kunerth 431-2618  
FN Coord Signature: STEVE BARTA  
Date: 03/23/06 Phone: 431-2916

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: DOUG GREEN  
Date: 03/24/06 Phone: 286-5618

Senator Berglin introduced-

S.F. No. 3346: Referred to the Committee on Finance.

1.1 A bill for an act  
1.2 relating to human services; modifying the food stamp asset limit; proposing  
1.3 coding for new law in Minnesota Statutes, chapters 256; 256D.

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

1.5 Section 1. [256.029] DOMESTIC VIOLENCE INFORMATIONAL BROCHURE.

1.6 (a) The commissioner shall provide a domestic violence informational brochure that  
1.7 provides information about the existence of domestic violence waivers for eligible public  
1.8 assistance applicants to all public assistance applicants. The brochure must explain that  
1.9 eligible applicants may be temporarily waived from certain program requirements due  
1.10 to domestic violence. The brochure must provide information about services and other  
1.11 programs to help victims of domestic violence.

1.12 (b) The brochure must be funded with TANF funds.

1.13 EFFECTIVE DATE. This section is effective upon federal approval.

1.14 Sec. 2. [256D.0515] ASSET LIMITATIONS FOR INDIVIDUALS AND  
1.15 FAMILIES.

1.16 To be eligible for food stamps, a person must not individually own more than \$4,000  
1.17 in assets or, if a member of a household with two family members, husband and wife or  
1.18 parent and child, the household must not own more than \$6,000 in assets, plus \$200 for  
1.19 each additional legal dependent.

1.20 EFFECTIVE DATE. This section is effective upon federal approval.

1.1 Senator ..... moves to amend S.F. No. 3346 as follows:

Delete everything after the enacting clause and insert:

1.3 "Section 1. [256.029] DOMESTIC VIOLENCE INFORMATIONAL  
1.4 BROCHURE.

1.5 (a) The commissioner shall provide a domestic violence informational brochure  
1.6 that provides information about the existence of domestic violence waivers for eligible  
1.7 public assistance applicants to all general assistance, general assistance medical care,  
1.8 Minnesota family investment program, medical assistance, and MinnesotaCare. The  
1.9 brochure must explain that eligible applicants may be temporarily waived from certain  
1.10 program requirements due to domestic violence. The brochure must provide information  
1.11 about services and other programs to help victims of domestic violence.

1.12 (b) The brochure must be funded with TANF funds.

1.13 EFFECTIVE DATE. This section is effective upon federal approval.

1.14 Sec. 2. [256D.0515] ASSET LIMITATIONS FOR FOOD STAMP HOUSEHOLDS.

1.15 All food stamp households must be determined eligible for the benefit discussed  
1.16 under section 256.029. Food stamp households must demonstrate that (1) their gross  
1.17 income meets the federal Food Stamp requirements under United States Code, title 7,  
1.18 section 2014(c), and (2) they have financial resources, excluding vehicles, of less than  
1.19 \$7,000.

1.20 EFFECTIVE DATE. This section is effective upon federal approval."

Amend the title accordingly

# The state of hunger in Minnesota 2005

*During July and August 2005 some 13,599 individuals from across the state of Minnesota completed surveys about their food needs at food shelves and onsite meal programs. The State of Hunger in Minnesota provides a snapshot of hunger with these key findings.*

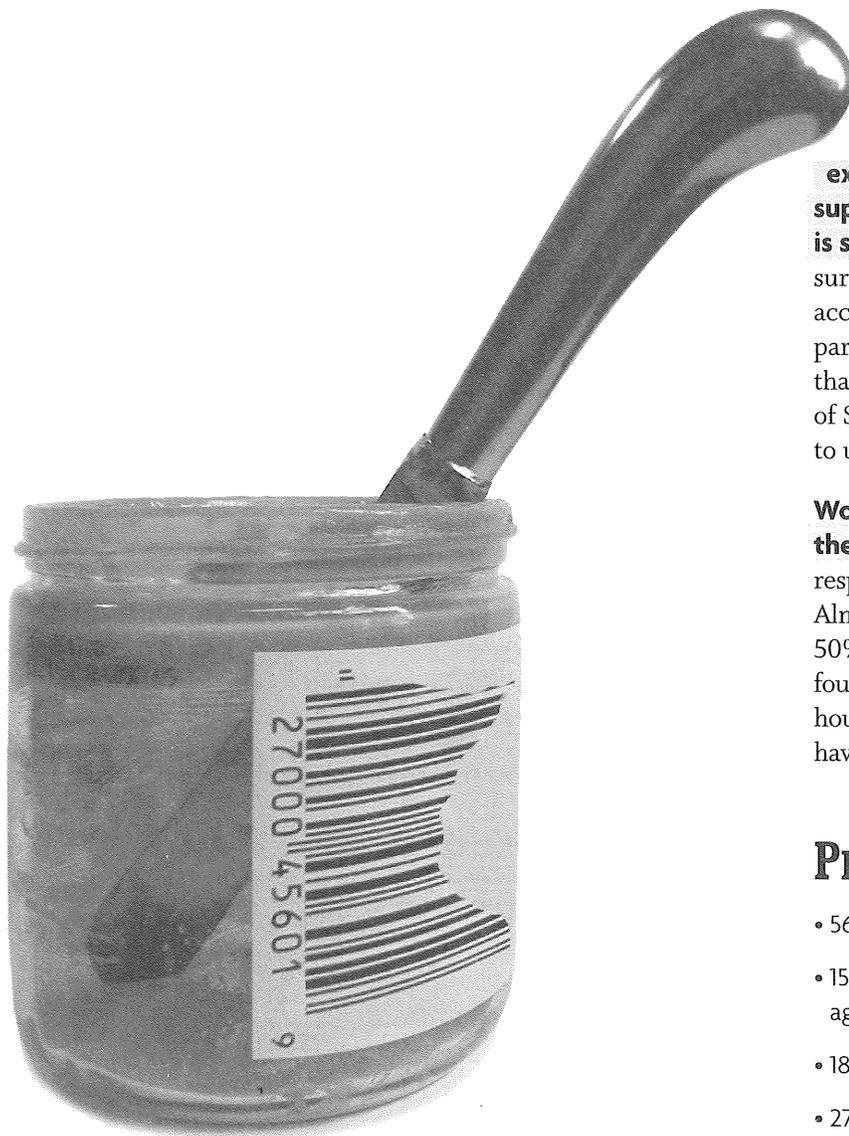
**More people are living in poverty or “near poverty” than five years ago. Households which were independent in 2000 are now dependent on food shelves and on-site dining programs.** The hunger relief infrastructure has changed since 2000. What were considered emergency solutions are now becoming sustaining programs, a fundamental part of a survival strategy for an increasing number of people. Food shelf usage has increased by 45% since 2000.

**At the same time as food shelves are experiencing a rise in demand for services, food support (formerly known as food stamps) usage is significantly under-utilized.** While 80% of those surveyed are eligible for food support, only 30% are accessing that resource. 54% of those not participating in the food support program believe that they are not eligible. Even at an average amount of \$159 a month from food support, clients still need to use food shelves and on-site meal programs.

**Working people are still unable to afford the cost of housing.** Almost three fourths of respondents live in unaffordable housing situations. Almost half the respondents are spending more than 50% of their income on housing and an additional one fourth spend between 30 and 50% of their income on housing. About two-thirds of households surveyed have monthly incomes of less than \$1000.

## Profile of Respondents

- 56% of surveyed households have children.
- 15% of households have at least one senior (adults age 60 or older) residing with them.
- 18% of respondents were single-parent households,
- 27% were single person households.





## Monthly income

About two-thirds of households in this survey have monthly incomes of less than \$1,000.

Income less than \$200 .....	.14%
\$200–\$599 .....	.23%
\$600–\$799 .....	.15%
\$800–\$999 .....	.12%
\$1,000–\$1,499 .....	.15%
\$1,500 or more .....	.8%

The federal poverty guidelines for 2005, set by the Department of Health and Human Services, determine eligibility for certain programs. In 2005 the poverty income for a two-person household was \$12,830 and \$16,090 for a three-person household.

Photos by Michelle Wischhoff, Kitchen Table foodshelf in Marshall

## Income and Employment

- Respondents are the working poor: The most common source of income for surveyed households is employment.
- For 38%, employment is the household's main source of income.
- About two-thirds of all households have a monthly income of less than \$1,000.

## Housing Costs

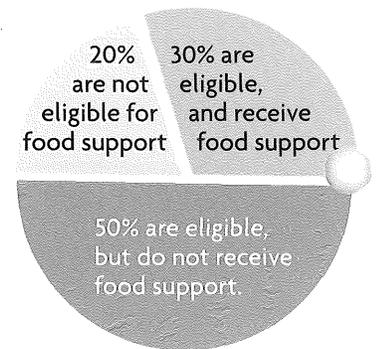
- Across the state, the average housing cost is \$430/month.
- Respondents from West and East Metro pay the highest, \$600 and \$576 respectively.

## Trends

**Food shelf use continues to increase.** From 2000 through 2004, households served by food shelves have increased by about 45%, from about 396,000 households to 576,000. Since 1985, there has been a 90% increase in households served. Clearly, what began as an emergency safety net for a few has mushroomed into a necessary sustaining system for many households. (Show as a graph and not as text)

**Cutting and skipping meals has increased in 2005.** At least one-eighth of the children and half of the adults, even using food assistance programs, continue to skip meals due to lack of money for food, and an even greater percentage have cut the size of their meals.

**Government food support (formerly food stamps) is underutilized.** Only 30% of households receive food support while 80% are eligible. Over half of the respondents felt that they weren't "eligible." 44% wanted to stay off of welfare. 8% said that they don't know how to apply. Lack of information about eligibility factors is a barrier to full utilization of this program.



## The state of hunger in Minnesota 2005

© January 2006. Please credit Hunger Solutions Minnesota as the source of data whenever you use material from this report. The stories from people who are hungry are a compilation of personal accounts told to food shelf and homeless shelter workers. They are not direct quotes; they reflect people's experience.



## Remember...

The *State of Hunger in Minnesota* report includes housing costs but other critical cost of living factors such as healthcare, utility and heating costs, transportation and childcare expenses must also be studied. The result of hunger includes children unable to learn and underperforming employees. Increased health care costs and a weakened economic base, both results of hunger, will impact all of us.

When asked "What would help you most to get enough food for yourself and your family?" 43% of respondents replied either finding employment or getting additional jobs, more hours, higher wages and more money.

## Partnership agenda for action

- Work with our partners to **increase the number of enrollees in the food support** (formerly known as food stamps) program.
- **Work with the school districts** within Minnesota to ensure that all low-income children and their families have access to all public programs.
- Work with our partners to create more **affordable housing** for low-income households.
- Work with our partners to promote the opportunity to gain personal resources through the **income tax credit** programs.

## stories from the hungry

*I came to get food for my mother.*  
She ran out of food last week and didn't tell me. When I went over to her place, all she had in her fridge was a loaf of bread and a jar of peanut butter. I asked her where her food stamps were, and she said that she didn't get them anymore because her welfare ran out. She doesn't realize that just because she doesn't get some of the money, that she can still get food stamps.

*I am a single parent now;* my wife left two months ago. My sister watched my kids for a while but she just got a job. When I asked about government help for daycare, they told me the wait list was two years. I come to the food shelf so that I can pay for my neighbor to watch my kids while I work.

## The state of hunger in Minnesota 2005

# stories

## from the hungry

*I used to be a college professor.* After I retired, my wife got cancer. We didn't have enough insurance and all our savings got depleted because of the many treatments she required. Finally, we had to sell the house. My wife died and what little money was left went to pay for her funeral. Now, I live on the street. You'd be surprised how many of us seniors are living out here.

*I'm working now,* but what I get for pay is a joke. When I worked at the plant, I made good money, over \$25 an hour. But they closed the plant and I lost my job. I was okay for a while but I couldn't find a job that paid anywhere near that. Right now, I make about \$9.00 an hour and we've moved in with my sister and her husband. I don't want to use up her food, so I come to the food shelf. Anything I can bring in feels good.



Photo by Michelle Wiethoff, Kitchen Table foodshelf in Marshall

*I live on Social Security* and I'm scared that I will be kicked out of my apartment because the rent is going up and I don't have the money. I started to come to the food shelf when a neighbor told me that she comes here and that way she can pay her rent. I want to be able to stay in my apartment, so I come here. Most of the time I can make it, when I eat a little less.

*Last month, my husband lost his job.* We had some savings, but then I got cancer and I need extra medicine. Getting food at the food shelf means that I can have my medicine.



Photo by Loaves and Fishes

## Cutting the size of meals or skipping meals

In **58%** of households, one adult had to cut the size of meals due to lack of money

In **25%** of households, one child had to cut the size of meals due to lack of money

In **47%** of households, one adult skipped meals due to lack of money

In **14%** of households, one child had to skip meals due to lack of money

## Methodology

204 food shelves and on-site meal programs in the state of Minnesota offered self-administered surveys to clients; some 94% of surveys were completed in food shelves and 6% at on-site meal programs. Full details about the methodology are found in the complete report which can be accessed at [www.hungersolutions.org](http://www.hungersolutions.org)

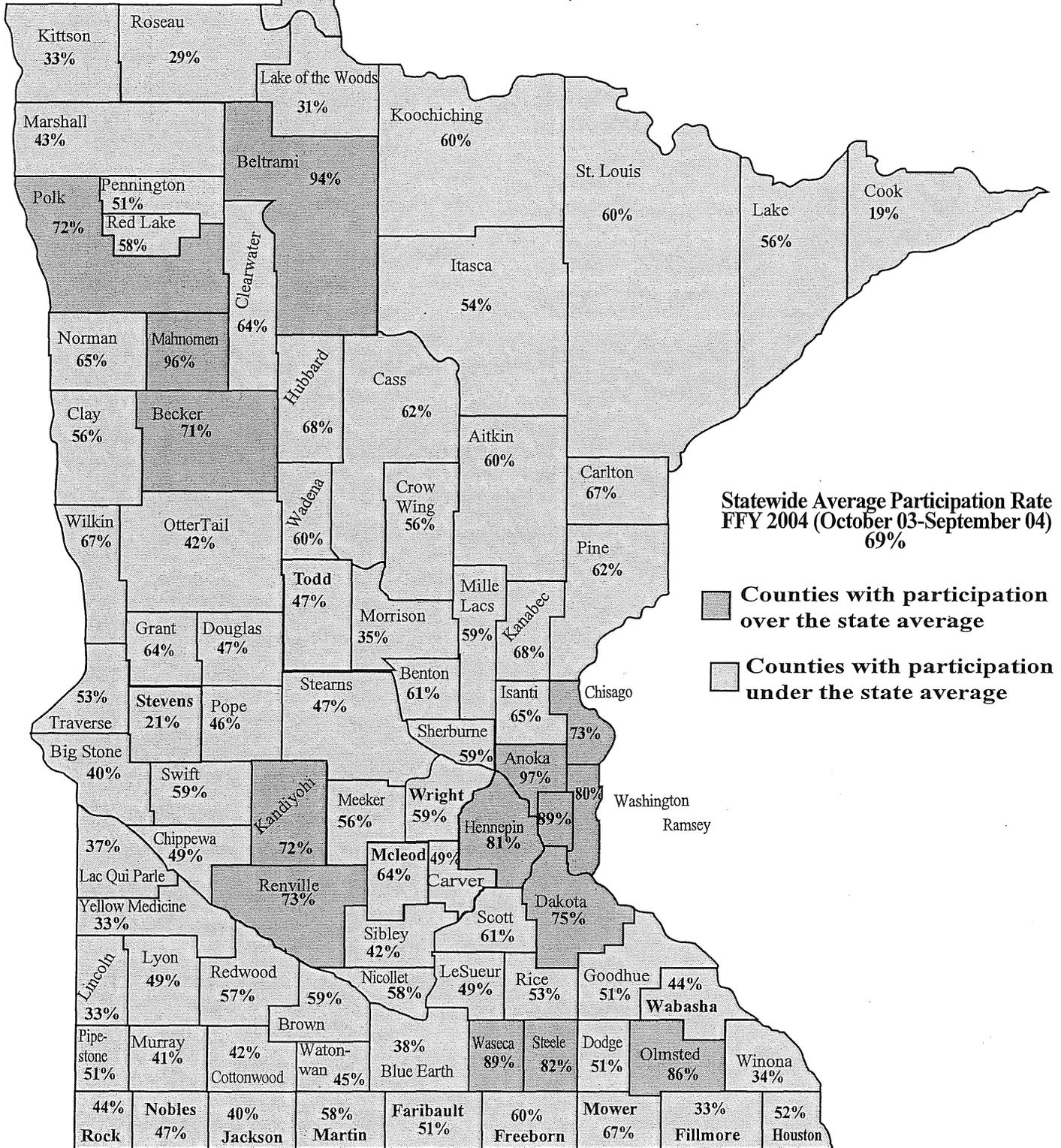
The **Wilder Research Center** coded and processed the data and wrote the basic report. The **Minneapolis Foundation** provided partial funding for this survey. The full report can be downloaded from our website: <http://www.hungersolutions.org>.

Direct questions to Mary Jane Steinhagen at [mjsteinhagen@hungersolutions.org](mailto:mjsteinhagen@hungersolutions.org) or 651-486-9860 ext 211.

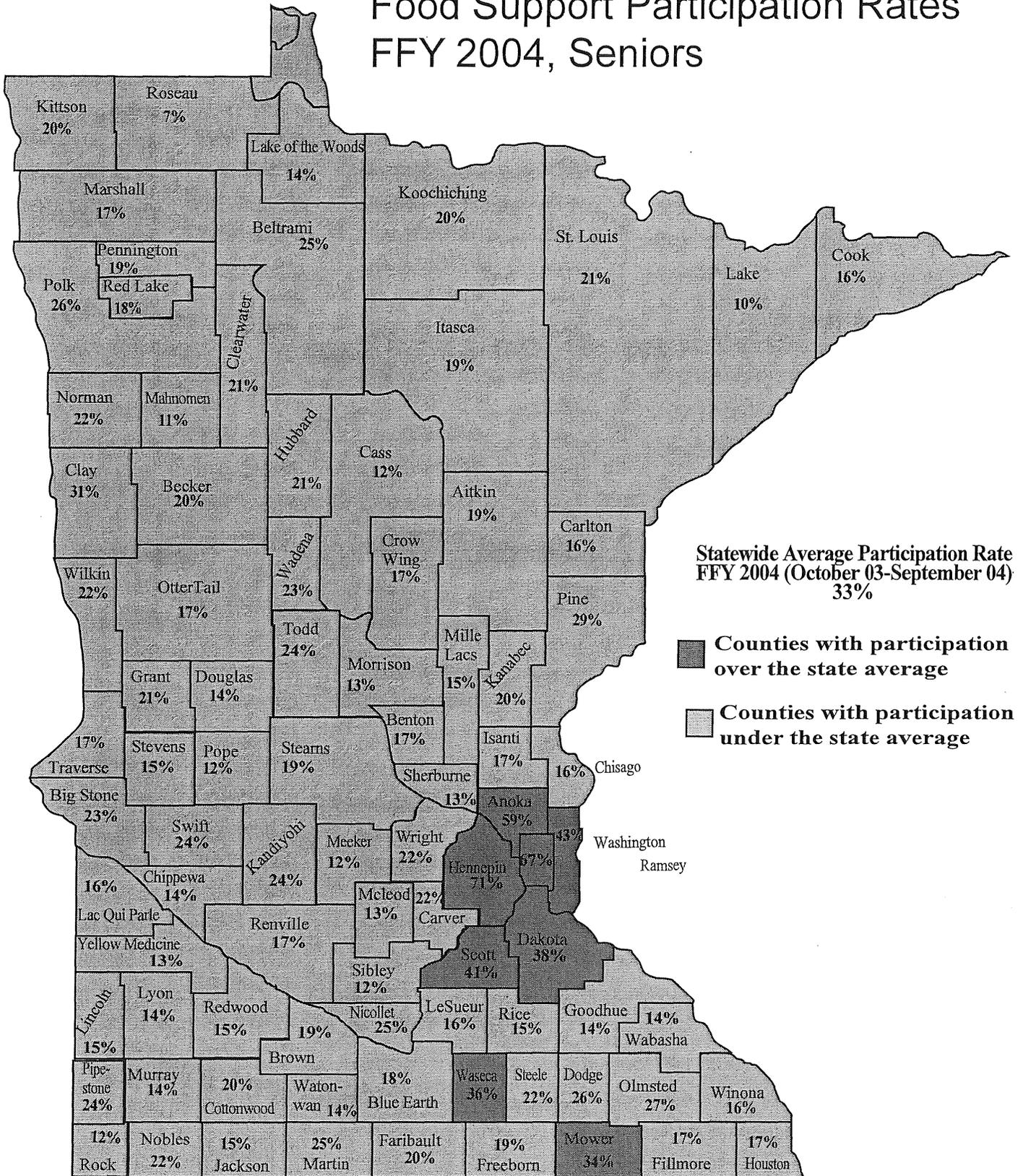
## The state of hunger in Minnesota 2005

© January 2006. Please credit Hunger Solutions Minnesota as the source of data whenever you use material from this report. The stories from people who are hungry are a compilation of personal accounts told to food shelf and homeless shelter workers. They are not direct quotes; they reflect people's experience.

# Minnesota Counties Food Support Participation Rates FFY 2004, Overall



# Minnesota Counties Food Support Participation Rates FFY 2004, Seniors



**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

**Senate**

**State of Minnesota**

**S.F. No. 3346 - Delete all amendment**

**Author:** Senator Linda Berglin

**Prepared by:** Joan White, Senate Counsel (651/296-3814)

**Date:** March 28, 2006



---

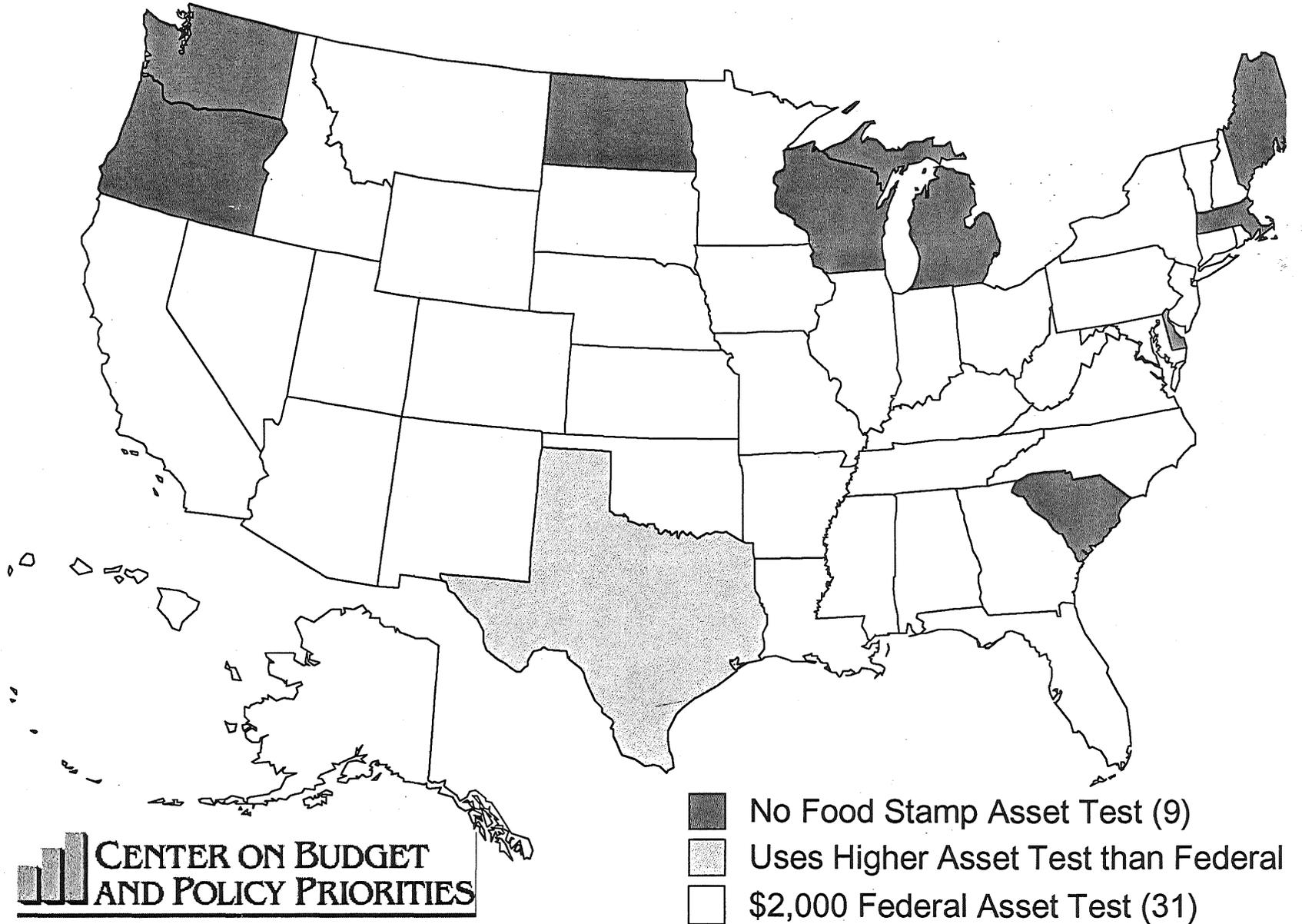
**Section 1** creates a benefit funded by TANF funds. The benefit is a domestic violence brochure provided to general assistance, general assistance medical care, MFIP, and MinnesotaCare applicants.

**Section 2** requires all food stamp households to be determined eligible for the benefit under section 1. Food stamp households must demonstrate that their gross income meets the requirements under the federal Food Stamp law, and that they have financial resources, excluding vehicles, of less than \$7000.

This section is effective upon federal approval.

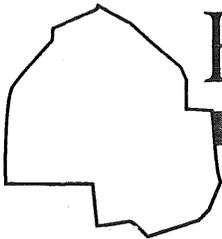
JW:mvm

# Eliminating the Food Stamp Asset Test



 **CENTER ON BUDGET  
AND POLICY PRIORITIES**

Updated 7/07/04



# Hennepin County

An Equal Opportunity Employer

HC 12029 (5/94)  
Information Request

Date: 2/6/97  
Re: Asset limit

Dear Michael Greve :

To find out if you can receive or continue receiving MA/FS  
I will need Based on your bank statements your  
are \$1162.77 over the \$3000 asset limit for  
MA; you are \$2162.77 over the \$2000 asset  
limit for food stamps. In order to remain  
eligible for MA + Food stamps, you must reduce  
your assets to the respective asset limits  
by ~~2/20/97~~ 2/28/97. Please provide bank  
statements verifying the new balances when  
you have done so. IF you purchase items  
with the money, please provide receipts also. Thanks

Return these items by 2/28/97

If you do not return these items, your benefits may end or be denied. If you need help getting these items, please call me.

Sincerely,

Financial Worker

Phone: 879-3151

106.77 MA  
1106.77 FS

- Family Assistance  
Century Plaza  
330 South 12th St.  
Mpls., MN 55404-1401
- Adult Assistance  
Main Building  
400 South 5th St.  
Mpls., MN 55415-1452
- Eldery and Disabled Assistance  
111 E. Franklin Ave.  
Mpls., MN 55404-2500
- Northeast Human Services Center  
2534 Central Ave. NE  
Mpls., MN 55418-3777
- Accounting Government Center  
300 South 6th St.  
Mpls., MN 55487-0000

**Fiscal Note – 2005-06 Session**

**Bill #:** S3346-0 **Complete Date:** 03/29/06

**Chief Author:** BERGLIN, LINDA

**Title:** DMSTC VIOLENCE INFO BROCH;FD STAMP

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

**Agency Name:** Human Services Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
<b>Expenditures</b>					
General Fund		0	9	0	0
Federal TANF Fund		0	51	51	51
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund		0	9	0	0
Federal TANF Fund		0	51	51	51
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund		0	9	0	0
Federal TANF Fund		0	51	51	51
<b>Total Cost &lt;Savings&gt; to the State</b>		0	60	51	51

	FY05	FY06	FY07	FY08	FY09
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

**NARRATIVE: SF 3346/HF 3735**

Bill Description

This bill would require that a brochure be given to all public assistance applicants that provides information about domestic violence waivers for public assistance programs. This brochure must be funded with Temporary Assistance for Needy Families (TANF) funds.

The bill also increases the asset limitations for the food support program.

Assumptions

There is no fiscal impact due to the change in asset limitations because these limits are established in federal law (Food Stamp Act of 1977) and cannot be waived by the Food and Nutrition Service (FNS).

The brochure would be provided to all public assistance applicants, including MinnesotaCare applicants. Food support recipients would be provided the brochure upon recertification. The distribution of this brochure would require Minnesota to extend categorical eligibility for Food Support to all food support applicants.

A brochure would need to be developed and printed by the department for inclusion in all public assistance program applications.

Expenditure and/or Revenue Formula

See attached

There would be a systems cost to implement the change in food support of \$ 17,040, of which \$ 9,900 is the state share.

The cost to print this brochure for all applicants and those recertified for food support.

Estimated number of applicants and food support recertifications: 53,200 / month x 12 = 638,400 applications/year

Cost to print 50,000 brochures = \$4,000

638,400 applications/50,000 = \$51,080/year

Total Expenditures:

Print Brochure \$51,080 / year TANF funds

Systems State Share: \$ 9,900 one-time cost to implement Food Support eligibility change

Long-term Fiscal Considerations

Local Government Costs

References/Sources

John Morrison, Children & Family Services  
MN Dept of Human Services  
651. 651.282.5310

Susan Snyder,  
Reports & Forecasts  
MN Dept. of Human Services  
651.431.2947

Minnesota  
MINNESOTA FAMILY INVESTMENT PROGRAM  
Fiscal Analysis of S.F. No. 3346

This bill requires the production and distribution to all public assistance applicants of a brochure on waivers of some DHS program requirements for domestic violence victims, and stipulates that the brochure be funded with TANF funds. Currently a brochure is distributed to some but not all public assistance applicants, and is not funded with TANF dollars. The TANF funding provision creates categorical eligibility for Food Support for anyone who receives the brochure, limited to those with income under 200% FPG. The fiscal effect of this bill results from increased eligibility for state-funded food support.

The Minnesota Food Assistance Program (MFAP) is state-funded food support which provides benefits for noncitizens over the age of 50 who are not eligible for federal food support. It is funded through a capped appropriation. Currently the program serves an average of 170 monthly cases and is projected to spend about \$293,000 in FY06, less than half of its appropriation.

This bill would provide categorical eligibility for MFAP for all legal noncitizens who are ineligible for federal food support, over the age of 50, and under 200% FPG. Households who would become eligible for MFAP are those who currently fail a) the asset eligibility limits of \$2000 (\$3000 for those households with a member age 60 or over); b) the gross income standard of 130% FPG or c) the net income standard of 100% FPG.

Based on department data on MFAP application denials, it is estimated that the MFAP caseload would increase by 20% if benefits were not denied on the basis of the gross or net income test. Because food benefits are reduced as income increases, households who fail the income eligibility tests will tend to have very small monthly food benefits, estimated at \$10 per case.

In addition, it is projected that additional cases would apply for MFAP given this categorical eligibility, the majority of which are assumed to be cases which would otherwise fail the asset limit test. Based on past studies of food support changes in other states, it is estimated that waiving the asset eligibility test would result in an increase of MFAP caseload by 25%. Households who fail the asset eligibility test could be expected to receive the average monthly MFAP benefit of \$142.

The effective date is July 1, 2006, pending USDA approval.

Current Applications	FY2006	FY2007	FY2008	FY2009
Avg monthly caseload	172	172	172	172
Percent increase from current denials	0%	20%	20%	20%
Phase-in	0%	50%	100%	100%
Additional cases	0	17	34	34
Avg monthly cost	\$10	\$10	\$10	\$10
Cost from current denials	\$0	\$2,060	\$4,119	\$4,119
New Applications	FY2006	FY2007	FY2008	FY2009
Avg monthly caseload	172	172	172	172
Percent increase from new applications	0%	25%	25%	25%
Phase-in	0%	50%	100%	100%
Additional cases	0	21	43	43
Avg monthly cost	\$142	\$142	\$142	\$142
Cost from new applications	\$0	\$36,627	\$73,254	\$73,254
Fiscal Summary	FY2006	FY2007	FY2008	FY2009
Total cost from increased caseload	\$0	\$38,687	\$77,373	\$77,373
Current law MFAP expenditures	\$293,016	\$293,016	\$293,016	\$293,016
Total MFAP expenditures	\$293,016	\$331,703	\$370,389	\$370,389
Current law appropriation	\$663,000	\$784,000	\$784,000	\$784,000
Total General Fund cost	\$0	\$0	\$0	\$0

Agency Contact Name: Jenny Ehrnst 282-2595  
 FN Coord Signature: STEVE BARTA  
 Date: 03/29/06 Phone: 431-2916

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LISA MUELLER  
 Date: 03/29/06 Phone: 296-6661

**Fiscal Note – 2005-06 Session**

**Bill #:** S3346-0 **Complete Date:** 03/29/06

**Chief Author:** BERGLIN, LINDA

**Title:** DMSTC VIOLENCE INFO BROCH;FD STAMP

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

**Agency Name:** Human Services Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
<b>Expenditures</b>					
General Fund		0	9	0	0
Federal TANF Fund		0	51	51	51
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund		0	9	0	0
Federal TANF Fund		0	51	51	51
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund		0	9	0	0
Federal TANF Fund		0	51	51	51
<b>Total Cost &lt;Savings&gt; to the State</b>		0	60	51	51

	FY05	FY06	FY07	FY08	FY09
<b>Full Time Equivalent</b>					
-- No Impact --					
<b>Total FTE</b>					

**NARRATIVE: SF 3346/HF 3735**

Bill Description

This bill would require that a brochure be given to all public assistance applicants that provides information about domestic violence waivers for public assistance programs. This brochure must be funded with Temporary Assistance for Needy Families (TANF) funds.

The bill also increases the asset limitations for the food support program.

Assumptions

There is no fiscal impact due to the change in asset limitations because these limits are established in federal law (Food Stamp Act of 1977) and cannot be waived by the Food and Nutrition Service (FNS).

The brochure would be provided to all public assistance applicants, including MinnesotaCare applicants. Food support recipients would be provided the brochure upon recertification. The distribution of this brochure would require Minnesota to extend categorical eligibility for Food Support to all food support applicants.

A brochure would need to be developed and printed by the department for inclusion in all public assistance program applications.

Expenditure and/or Revenue Formula

See attached

There would be a systems cost to implement the change in food support of \$ 17,040, of which \$ 9,900 is the state share.

The cost to print this brochure for all applicants and those recertified for food support.

Estimated number of applicants and food support recertifications: 53,200 / month x 12 = 638,400 applications/year

Cost to print 50,000 brochures = \$4,000

638,400 applications/50,000 = \$51,080/year

Total Expenditures:

Print Brochure \$51,080 / year TANF funds

Systems State Share: \$ 9,900 one-time cost to implement Food Support eligibility change

Long-term Fiscal Considerations

Local Government Costs

References/Sources

John Morrison, Children & Family Services  
MN Dept of Human Services  
651. 651.282.5310

Susan Snyder,  
Reports & Forecasts  
MN Dept. of Human Services  
651.431.2947

Minnesota  
MINNESOTA FAMILY INVESTMENT PROGRAM  
Fiscal Analysis of S.F. No. 3346

This bill requires the production and distribution to all public assistance applicants of a brochure on waivers of some DHS program requirements for domestic violence victims, and stipulates that the brochure be funded with TANF funds. Currently a brochure is distributed to some but not all public assistance applicants, and is not funded with TANF dollars. The TANF funding provision creates categorical eligibility for Food Support for anyone who receives the brochure, limited to those with income under 200% FPG. The fiscal effect of this bill results from increased eligibility for state-funded food support.

The Minnesota Food Assistance Program (MFAP) is state-funded food support which provides benefits for noncitizens over the age of 50 who are not eligible for federal food support. It is funded through a capped appropriation. Currently the program serves an average of 170 monthly cases and is projected to spend about \$293,000 in FY06, less than half of its appropriation.

This bill would provide categorical eligibility for MFAP for all legal noncitizens who are ineligible for federal food support, over the age of 50, and under 200% FPG. Households who would become eligible for MFAP are those who currently fail a) the asset eligibility limits of \$2000 (\$3000 for those households with a member age 60 or over); b) the gross income standard of 130% FPG or c) the net income standard of 100% FPG.

Based on department data on MFAP application denials, it is estimated that the MFAP caseload would increase by 20% if benefits were not denied on the basis of the gross or net income test. Because food benefits are reduced as income increases, households who fail the income eligibility tests will tend to have very small monthly food benefits, estimated at \$10 per case.

In addition, it is projected that additional cases would apply for MFAP given this categorical eligibility, the majority of which are assumed to be cases which would otherwise fail the asset limit test. Based on past studies of food support changes in other states, it is estimated that waiving the asset eligibility test would result in an increase of MFAP caseload by 25%. Households who fail the asset eligibility test could be expected to receive the average monthly MFAP benefit of \$142.

The effective date is July 1, 2006, pending USDA approval.

Current Applications	FY2006	FY2007	FY2008	FY2009
Avg monthly caseload	172	172	172	172
Percent increase from current denials	0%	20%	20%	20%
Phase-in	0%	50%	100%	100%
Additional cases	0	17	34	34
Avg monthly cost	\$10	\$10	\$10	\$10
Cost from current denials	\$0	\$2,060	\$4,119	\$4,119
New Applications	FY2006	FY2007	FY2008	FY2009
Avg monthly caseload	172	172	172	172
Percent increase from new applications	0%	25%	25%	25%
Phase-in	0%	50%	100%	100%
Additional cases	0	21	43	43
Avg monthly cost	\$142	\$142	\$142	\$142
Cost from new applications	\$0	\$36,627	\$73,254	\$73,254
Fiscal Summary	FY2006	FY2007	FY2008	FY2009
Total cost from increased caseload	\$0	\$38,687	\$77,373	\$77,373
Current law MFAP expenditures	\$293,016	\$293,016	\$293,016	\$293,016
Total MFAP expenditures	\$293,016	\$331,703	\$370,389	\$370,389
Current law appropriation	\$663,000	\$784,000	\$784,000	\$784,000
Total General Fund cost	\$0	\$0	\$0	\$0

Agency Contact Name: Jenny Ehrnst 282-2595  
 FN Coord Signature: STEVE BARTA  
 Date: 03/29/06 Phone: 431-2916

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LISA MUELLER  
 Date: 03/29/06 Phone: 296-6661

# MCAA "IMPACT" FACT SHEET

## REDUCTIONS IN CORE COMMUNITY ACTION FUNDING (THE MINNESOTA ECONOMIC OPPORTUNITY GRANT)

**IMPACT: 32,325 Minnesotans in 2004-2005**

Twenty-seven Community Action Agencies statewide work to address the root causes and effects of poverty in all 87 of Minnesota's counties. Over 200,000 Minnesotans currently access Community Action programs. Deep cuts to core funding (MEOG) during the 2003 Legislative Session resulted in severe impacts to the lives of over 10% of those served.

### WHO WAS IMPACTED BY THESE CUTS and WHAT DID THEY LOSE?

#### YOUTH

- Head Start
  - Safe and affordable child care
  - After school programming for at-risk youth
  - Mental health services for high-risk pre-school youth
- Safe exchange and visitation services for parental visits with youth
  - Youth employment and training services
- Work group camp that builds skills and repairs homes

#### SENIOR CITIZENS

- Retired Senior Volunteer Program (RSVP)
  - Rental Rebate Assistance
  - Income-generating programs
- Support services for seniors with disabilities and daily living needs

#### WORKING FAMILIES

- Displaced Homemakers Program assisting people to return to work
- Family Assets for Independence in Minnesota (FAIM) program, which assists working families to acquire assets and leave poverty permanently
  - Affordable housing not built
  - Homelessness prevention services lost
- Car repair assistance and transportation services
  - Budgeting classes

#### INDIVIDUALS AND FAMILIES IN CRISIS

- Participation in FEMA program
- Emergency food and shelter
- Emergency heating and repair services
- Foreclosure prevention assistance
  - Emergency loan services
  - Crisis counseling

#### COMMUNITY

- Satellite offices closed, critical program staff laid off

# MINNESOTA COMMUNITY ACTION AGENCIES FACTS ON DIRECT IMPACT OF 2004 STATE BUDGET CUTS

## IMPACT ON YOUTH:

### HEAD START

- 10 FTE's cut 2003, 8 more cut in 2004 (ACCAP)
- Serving 1/5 of eligible kids (669 at present), waiting list of 700 (ACCAP)
- Closed 1 Head Start Center (17 kids) (ACCAP)
- Cut home counseling for families in crisis—affecting 300 households annually (AEOA)
- 15 kids cut from Head Start (Bi-CAP)
- Cuts resulted in the loss of services to 25 families (Lakes & Pines)
- 9% cut to program, resulting in combined staff positions and reduced hours (SEMCAAC)
- Closed Head Start Program in Red Wing due to cuts, affecting 17 families (Three Rivers)
- Reduced staff due to State funding cuts and increases in costs, serving fewer households (RAP)

### CHILD CARE

- Lost 6 full-time Childcare staff (ACCAP)
- Dramatic increase in Childcare co-pays, parents are forced to leave kids in inappropriate care or leaving jobs to return to welfare (ACCAP)
- Closed one Childcare Center—affecting 22 kids (ACCAP)
- Lost 6 full-time Childcare Resource & Referral jobs – losing services to 2000 families and 1000 local providers (ACCAP)
- Childcare Center serving fewer kids due to reduced staff (Lakes & Prairies)

### EARLY CHILDHOOD

- Mental health for high-risk pre-school kids eliminated—33 kids lose services (AEOA)

### YOUTH SERVICES

- YouthBuild cut participants from 12 to 10 kids, out of 30 applicants. 20 youth won't receive assistance with emergency car repairs, vision/dental, support services (Bi-CAP)
- West Moorhead "Rainbow Bridge" site closed, reducing supervised family visits (Lakes & Prairies)
- 100 youth will not receive pre-employment services due to cuts (MVAC)
- Forced to pull out of joint youth projects serving about 750 youth each year (TriCAP)
- Forced to cut group work camp for 300 youth, which served 50 low-income elderly households (West Central MN CA)
- Eliminated "Coats for Kids" program due to cuts
- Staff cuts resulted in one staff having to provide services alone to 60-70 youth aged 14-21 (ICCC)

## IMPACT ON SENIOR CITIZENS:

- Program services reduced due to need to cut 2 FTE's in 2003-04 (ACCAP)
- "ROCK" program for senior counseling cut proactive support for senior insurance counseling, now only crisis counseling –500-600 seniors affected (AEOA)
- Four Senior Craft Program sites closed, which provided income and purposeful activity to 363 seniors and people with disabilities and netting \$60,000 last year (ICCC)
- Ended staff assistance to seniors for rental rebates due to cuts (Northwest CA)
- State funding for RSVP reduced from \$40,000 in 2002 to \$4500 in 2004. As a result, 12,040 people are not receiving volunteer assistance (SEMCAAC)
- Two full-time staff cut, resulting in 617 fewer seniors served in congregate meal settings, 805 fewer meals delivered to seniors at home and prices increased, service quality reduced (SEMCAAC)
- Due to cuts, need \$8300 match for Caregiver Advocacy program, funding uncertain (SEMCAAC)

- RSVP reduced by 250 community volunteers due to cuts (West Central MN CA)
- Forced to close Senior Nutrition program due to \$40,000 loss of State MEOG funds (Western CA)
- "Valley Housekeeping" program, providing in-home support and treatment, forced to reduce services. This results in earlier nursing home placement—a much more expensive option (Tri-Valley OC)
- "Foster Grandparent" program reduced in rural areas, resulting in fewer at-risk children receiving individual time and attention (Tri-Valley OC)
- 15% cut to "Senior Companion" program, which provides in-home support and treatment, transportation and visitation services to seniors. This results in earlier nursing home placement (Tri-Valley OC)

## **IMPACT ON WORKING FAMILIES:**

### **HOMELESSNESS PREVENTION**

- Foreclosure prevention up 24% in Suburban Hennepin County, but can only serve 1 in 4 that applies for assistance (CASH)
- Will not be participating in Emergency Shelter Grant program due to cuts (Lakes and Pines)
- Requests for homelessness assistance increased from 43 households in 2003 to 182 this year, cuts have not enabled the agency to meet the growing demand (Olmstead CAP)
- Funds cut by 30% for homelessness services, but demand increased by 10-15% (Western CA)

### **HOUSING**

- Increased rents by 5% (ACCAP)
- Housing Development decreased from 15 to 5 units/year (ACCAP)
- Housing Development eliminated—27 affordable homes lost annually (AEOA)
- 200 families won't get housing assistance. Turning away 20 families monthly (Lakes & Prairies)
- Closed Bloomington service site: 240 households will not receive rental assistance and 300 families will not receive foreclosure prevention services (CASH)
- Reverse mortgage services denied to approximately 250 seniors' households (CASH)
- Unable to participate in RASP Rural Housing Stability and Assistance Program due to cuts (Lakes and Pines)
- 27 households will not receive low-interest rehabilitation loans (\$400,000 lost to recipients for construction and supply costs (MVAC)
- Eliminated innovative program for families to purchase affordable housing, affecting 20 families (Three Rivers)
- MURL Revolving Loan program lost \$20,000 in MEOG cuts, which will slow down program growth and reduce rehab work on homes. (West Central MN CA)
- "Homestretch" homeownership fees charged to low-income families, formerly no cost. (Western)

### **ENERGY ASSISTANCE/WEATHERIZATION**

- While demand increased by 36% in 2003, will have to turn away 4000 households due to cuts (CASH)

### **EMPLOYMENT AND TRAINING**

- 40 fewer youth and adults will receive workforce services over two years due to cuts (MVAC)
- 60-80 women in New Directions employment program have been negatively affected by cuts as staff reduced hours from full time to part time (Otter Tail Wadena Community Action)
- 250 people lost pre-employment skills training (TriCAP)
- Cut Displaced Homemakers program—100 families lose services (West Central MN CA)
- Withdrew from "Free to Be" welfare-to-work program, 90 families won't receive car repair and child care services (ACCAP)
- "Project Success" services cut in Washington County due to cuts. Fewer families will receive comprehensive assistance with employment, education, housing, transportation, mental health, and chemical dependency needs (RAP)

### **FAIM PROGRAM—ASSET DEVELOPMENT**

- Eliminated FAIM Program—12 households lose help to purchase homes, obtain a college degree, or start a small business (AEOA)
- Only serving 15% of need; have 4-5 people on a waiting list for every person being served (Duluth)

### **FINANCIAL LITERACY DEVELOPMENT**

- Budget counseling will be cut for 400 families due to closure of Bloomington site (CASH)
- Economic Bridging program lost (Three Rivers)
- Two-three staff cut from program serving 15 Somali and Hispanic families enrolled in economic literacy classes (Western CA)

### **TRANSPORTATION**

- Transportation program "Wheel Get There" terminated due to cuts. 178 households served last year by two full-time staff, who were laid off due to cuts. \$800,000 lost over two years (MVAC)
- Reduced Volunteer Driving program, resulting in decreased help to get people to work, reach medical appointments, buy groceries, attend congregate dining meals and meet other daily needs (Western CA)

### **FOOD**

- Withdrew from Food Shelf (ACCAP)
  - Decreased contribution by 1200 meals due to \$2000 in cuts (Southwestern MN OC)
- Increased demand at Food Shelf by 50-60%, but reduced funds to meet even former needs (Western CA)

## **INDIVIDUALS AND FAMILIES IN CRISIS**

- Withdrew from Emergency Assistance—100 households lost support (ACCAP)
- Due to reduced staff, fewer qualifying families served (Lakes & Prairies)
- Eliminated Rural Life Outreach – 50 families will not receive needed emergency services (Lakes & Prairies)
- Emergency assistance will be denied to an additional 250 qualifying households due to cuts (CASH)
- Dramatic cuts to emergency services; unable to respond to car repair, utilities crisis, or bus pass needs due to cuts. (Duluth)
- 30-40 households will not receive emergency loans (ICCC)
- 120 households won't be served; which is a 50% cut to people needing food and shelter (Lakes and Pines)
- 241 qualified families will not receive Emergency Assistance due to cuts.
- Eliminated FEMA assistance due to cuts (Northwest)
- Eliminated crisis assistance funds. Served 113 households in crisis in 2003, this year have had request for 234 that we cannot serve (Olmsted CAP)
- Eliminated Crisis Intervention program –resulting in the loss of services to 20-30 families and one full-time staff person (Southwestern MN OC)
- Eliminated Emergency Assistance Services funding, which kept 400 households employed or looking for employment. Yet demand for emergency assistance has increased by 14% this year.
- Decreased crisis assistance funds available due to cuts, yet increased demand for assistance (RAP)

## **COMMUNITY**

### **STAFF JOBS, DEVELOPMENT**

- Forced to cut 12 full-time jobs (AEOA)
- Assistant Director laid off, Secretary cut; Homeless Intake worker cut (Bi-CAP)
- Cut staff by one third, laid off three critical management staff (CASH)
- No funds are available for staff travel due to cuts (Bi-CAP)
- Board of Directors has reduced meetings to every other month instead of monthly (Bi-CAP)
- Quality of services declined (Bi-CAP)
- Staff health premiums were increased but salary increases were reduced (Bi-CAP)

- Cut staff by one-third, laid off 3 managers (CASH)
- 20% staff reduction (Duluth)
- One full-time Accounting position eliminated; 1 Administrative staff cut from full to half-time; reduced Family Development staff and closed satellite offices in Thief River Falls and Bagley. Staff are overloaded and quality is reduced as the same number of people are served with fewer resources (ICCC)
- Lost 10 staff who provide services to seniors, family development, housing and homelessness, and agency administration (KOOSTASCA)
- Five full-time jobs eliminated; six staff reduced hours; two planned positions will not be filled (Lakes & Pines)
- Closed satellite office and are employing rotating lay-offs to address budget cuts (Northwest CA)
- Six full-time staff reduced to part-time (Otter Tail Wadena Community Action)
- Employing staff at 85% the "going rate" due to cuts, increased work loads, reducing staff training by 50%, and staff qualifying for poverty programs as a result (SEMCAC)
- Albert Lea office forced to cut three positions (SEMCAC)
- Eliminated outreach program and four FTE's (Southwestern MN OC)
- Three positions lost due to cuts (Three Rivers)
- Three FTE's eliminated (TriCAP)
- Four staff laid off (West Central MN CA)
- Three staff eliminated, two positions reduced to part-time as a result of cuts (Western CA)

#### **COMMUNITY DEVELOPMENT**

- Reduction of community development services meant that at least 5 grassroots organizations are unable to obtain start-up or technical assistance; limitation of resources negatively affected an additional 6 groups or organizations.

#### **PUBLIC COMMUNICATIONS**

- Cut agency newsletter, which provided important communications about program services to 5400 low-income households (West Central MN CA)

## **The importance of Community Action Grant Funding for Lakes & Prairies Community Action Partnership, Inc.**

Lakes & Prairies Community Action Partnership, Inc. currently receives approximately \$79,500 in Minnesota Community Action Grant funding. Prior to the cuts in 2003 our funding was approximately \$165,000. Community Action Grant funding and federal Community Service Block Grant funding are the only sources of flexible funding available to community action agencies to meet the local needs of low income families. Although there are many similarities between community action agencies there are also many specific needs identified by each community action agency.

Last Wednesday, March 22<sup>nd</sup> the Lakes & Prairies finance committee, met for three hours to discuss contingency plans regarding the possible elimination of our federal CSBG funding (\$130,000 annually). At the end of our discussion, one of our board members commented that there were no good results if this were to happen. They were reminded of what resulted when Minnesota Community Action Grant funding was cut by \$87,000 in 2003 as the result of our state budget deficit. At Lakes & Prairies the net result was the closing to two child care centers, one which served 50 pre-school children and one that served over 150 school aged children.

Let me give you a few examples of how Lakes & Prairies utilizes Community Action Grant Funding and federal CSBG funding.

- \$30,000 in CAG funding and \$30,000 in CSBG funding help to support Rainbow Bridge, our safe exchange/supervised visitation center. Rainbow Bridge provides over 300 safe exchanges and over 200 supervised visitations for children and parents each month.
- \$15,000 in CAG funding and \$15,000 in CSBG funding help to support homeless prevention programs to approximately 20 families and transitional housing services to 12 families each month.
- \$8,000 in CAG funding helps support senior programs such as over 250 commodity food boxes each month and assistance with the sign up of Medicare part D.
- \$6,000 in CAG funding helps support our VITA site which to date has processed over 220 tax returns for low-income families and seniors.

Community Action Agencies such as Lakes & Prairies are the last resort for our communities when local needs arise. As an example, in the past month Lakes & Prairies Rainbow Bridge Program has received two requests to provide a new service, assistance to local nursing homes to provide supervised visits for vulnerable adults in the nursing home with their adult children. There was no one else to provide the assistance, once again Lakes & Prairies Community Action Partnership, Inc. responded.

Community action agency budgets are stretched beyond the breaking point. Community Action Grant funding is one of the best investments in low income families and the communities they live in.

## Tell Me More

FAIM IDA stands for *Family Assets for Independence in Minnesota Individual Development Account* and is a really long name for a matched savings account specially designed to help you save enough money to acquire one of these three assets:



A home



A higher education



A small business

## What is a Matched Savings Account?

When you deposit money in a matched savings account, the FAIM program also adds money. FAIM offers a 3:1 savings match, which means for every dollar you save in your Individual Development Account, FAIM adds three dollars. With a FAIM matched savings account, you will be asked to save \$40 per month; FAIM will add \$120 per month, for a total savings of \$160. In two years, you will have a total of \$3,840 available to purchase an asset. It adds up fast!

## One Last Question, Why Would Anyone Give Away Money Like That?

Savings matches are not "giveaways." Participants earn savings matches by saving their own hard-earned dollars and taking other steps to prepare for the future, like attending financial literacy classes. Match dollar savings accounts are a way to help hard working, low-income families and individuals build a more stable and secure future. Everyone benefits when members of a community have the tools or assets they need to provide for themselves and their families.



**FAIM IDA** is a program of:  
**Community Action Duluth**  
 19 North 21<sup>st</sup> Avenue West  
 Duluth, Minnesota 55806  
 phone 218-726-1665  
 tty 800-627-3529  
 toll-free 866-761-5257

*Engaging our community to end poverty*

**For more information, contact** Angie Miller  
 at 218-726-1665, extension 13.  
[www.communityactionduluth.org](http://www.communityactionduluth.org)

*The mission of Community Action Duluth is to use innovative strategies to mobilize low-income people and the broader community to build assets that prevent poverty, create equality and strengthen our social fabric.*

# TRIPLE YOUR MONEY



**with a FAIM IDA Matched Savings Account**

Family Assets for Independence in Minnesota  
 Individual Development Account  
 A program of Community Action Duluth

## How Does It Work?

Once you become part of the FAIM program, a special IDA savings account will be established for you at Bremer Bank. Matched funds are made available to you when you are ready to purchase your asset. You must save for at least six months before you can make a matched withdrawal. When you are ready, a check will be issued to the mortgage company if you are buying a house, the college if you are paying tuition, or to a supplier if you are purchasing supplies for a small business.



## Are There Requirements?

**Yes, there are a few.**

- You must save earned income from employment. Income can come from traditional employment or from self-employment.
- Your assets must be less than \$10,000 (not including your vehicle, house or retirement accounts).
- You must attend financial literacy classes. (12 hours of financial education, provided by Community Action)
- You must attend 10 hours of education in one of the following areas:

**Home Stretch** – homebuyer education

**Higher Education** – career goals, skills and interests

**Small Business** – how to start your own business

## Am I eligible?

You are eligible if you meet the following income guidelines:

Family Size	Income Limit
1	\$19,600
2	\$26,400
3	\$33,200
4	\$40,000

Add \$6,800 for each additional person

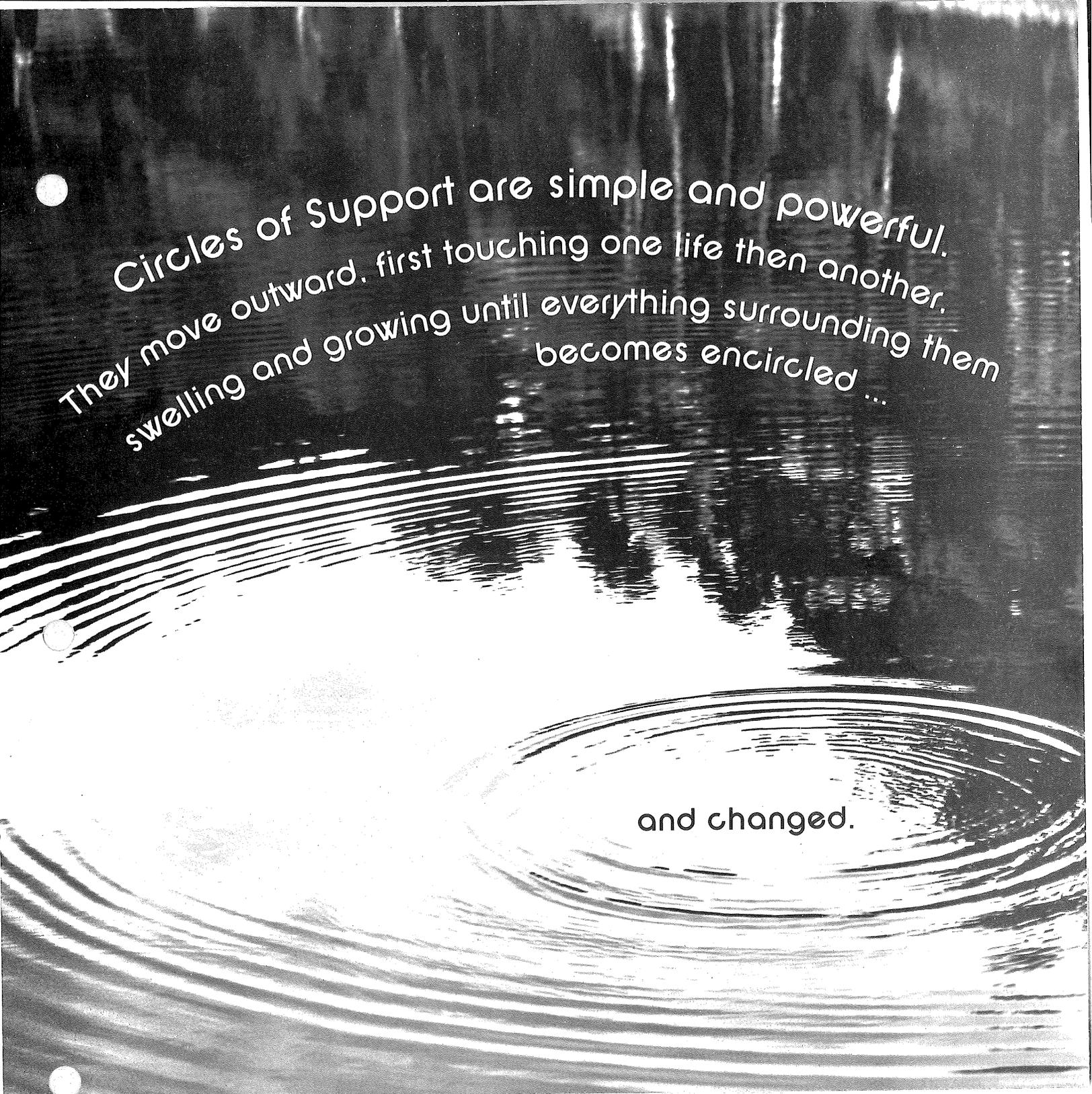
## How do I apply?

Applying is easy, simply contact Angie Miller at Community Action Duluth 726-1665, extension 13 or e-mail [angie@communityactionduluth.org](mailto:angie@communityactionduluth.org).

## Is there more to FAIM than just a matched savings account?

Absolutely. Most people need more than just cash to become successful homeowners, entrepreneurs or college students. You will also receive:

- A copy of your credit report with a credit score.
- Regular financial coaching to help you achieve your goal.
- And, as mentioned before, classes on credit repair, reducing debt, saving for the future and consumer protection.

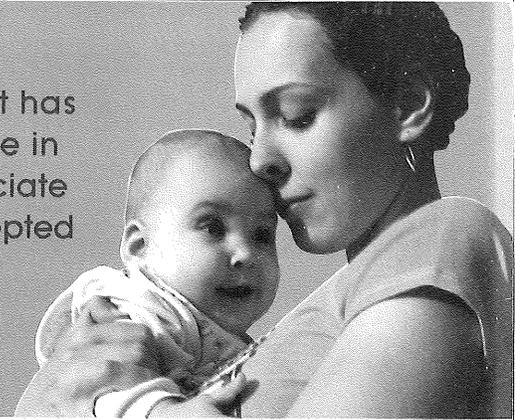
A black and white photograph of water ripples on a dark surface. The ripples are concentric and spread out from a central point, creating a sense of movement and expansion. The text is overlaid on the upper portion of the image, following the curve of the ripples.

Circles of support are simple and powerful.  
They move outward, first touching one life then another,  
swelling and growing until everything surrounding them  
becomes encircled ...

and changed.

"Living in poverty has stunted us from growth. Circles of Support has given us hope. It has placed three wonderful and willing people in our lives. The relationships we have are like no other. We appreciate the security, laughter and all the support. It feels good to be accepted and not judged for who we are and where we come from."

Circles of Support Participants



## Circles of Support

Often when life is most difficult we suffer in isolation. This is especially true of people who live in poverty. Circles of Support are designed to break through that pattern of isolation by building relationships among people from all walks of life.

Circles cut across class, race, age and gender lines and break down the misinformation people have about one another.

Circles are not a way for the community to "take care of" the poor. Instead, they link community members with individuals or families who are experiencing poverty. The emphasis of each Circle is to build strong reciprocal relationships. Relationships that help move people out of poverty by making it possible for them to gather enough money, meaning and friends to thrive.

### **We All Deserve:**

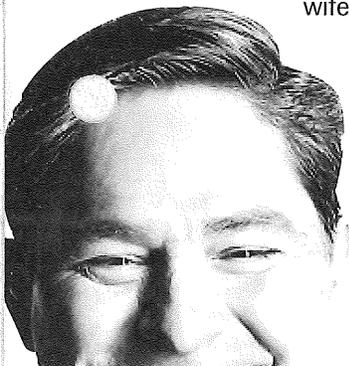
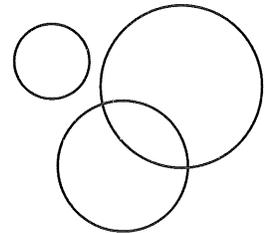
**Money enough to live** without having to choose one necessity over the other; like health coverage over utilities or utilities over food;

**Meaning and education enough to be our best self** in the many roles we play in our lives, like husband, wife, mother, father, employer, employee;

**Friends enough** to offer us support and mentorship.

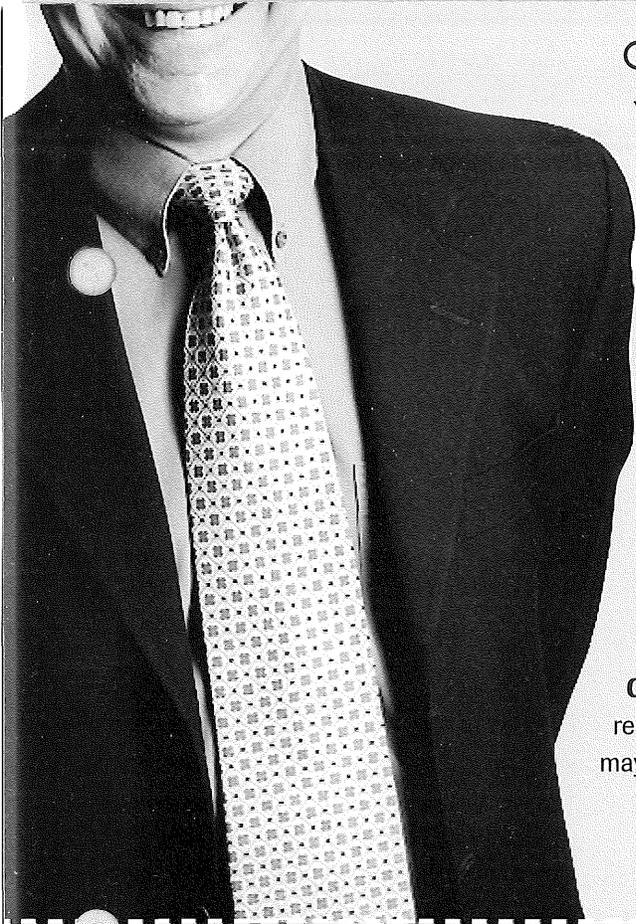
## Join A Circle

Ordinary people, with all levels of resources, who are passionate about ending poverty are needed to become Circle of Support allies. Allies are community members who work with several other allies in a small group called a Circle of Support. They come together to help a person or family in poverty called a Circle of Support participant. The entire group works together to plan a course of action, set goals, and support one another. The goal is to use the group's resources to help the participant move out of poverty.



"It is up to us to provide support and help one another. We may come from diverse backgrounds and appear different, but we all have the same goal: to live in harmony and be able to provide for our families and ourselves."

Tom, A Circle of Support Ally



## Create Opportunities

You can help create opportunities for someone who wants to move out of poverty. All it takes is a little time. We ask you to attend an orientation/training session to start and then commit to about six hours a month.

**Ally Orientation/Training** In this four hour session, allies learn how to build strong reciprocal relationships, deal with the "isms" that isolate people and gain insights into poverty in our area.

**Circle Meetings** Each participant and their three allies meet at least once a month for about two hours. They discuss goals, brainstorm strategies to overcome barriers and create realistic actions to be taken before the next meeting.

**Ally Support** Allies meet once a month for about two hours to support, encourage and network with each other. These meetings allow allies to talk candidly about their roles and how to be more effective.

**Big View** The big view meeting is also once a month for about two hours. It is a place to organize as one large group of caring people who want to end poverty.

**Circle Coach** A coach is assigned to each Circle to provide ongoing support, resource and referral information. Coaches also assist with any challenges that may arise in a Circle.



Like a single drop of water hitting a pond, one person can make a big impact:  
an impact that ripples across gender, race and class lines.

Please contact me about becoming an ally.

name \_\_\_\_\_

address \_\_\_\_\_

city \_\_\_\_\_

state \_\_\_\_\_

zip \_\_\_\_\_

phone \_\_\_\_\_

email \_\_\_\_\_



## How to make an impact

**Contact your state and federal legislators** to register your concern about the number of people not meeting their basic household living needs in this country. You can find contact information on our web site at [www.communityactionduluth.org](http://www.communityactionduluth.org).

**Talk to your faith community, your community service groups or your business** about sponsoring a number of Circles of Support by becoming volunteer allies or through monetary donations.

**There are many other opportunities** for volunteers to get involved with Circles of Support from tutoring children during meetings and assisting with food preparation to helping with financial planning and offering specialized expertise in many other areas.

Only through the development of relationships, changing the mind-set of the community, challenging the goals of the system and helping people to become organized will poverty end.

**To find out more about becoming an ally and partnering with a family that wants to move out of poverty call:**

**Xavier Bell, Ally/Volunteer Coordinator**  
**218-726-1665, extension 15,**  
**[xavier@communityactionduluth.org](mailto:xavier@communityactionduluth.org)**



***Engaging our community to end poverty***

19 North 21<sup>st</sup> Avenue West • Duluth, Minnesota 55806 • phone 218-726-1665 • tty 800-627-3529 • toll-free 866-761-5257

[www.communityactionduluth.org](http://www.communityactionduluth.org)

**Senators Berglin and Lourey introduced-**

**S.F. No. 3103: Referred to the Committee on Health and Family Security.**

A bill for an act

relating to human services; establishing the work participation rate enhancement program; amending Minnesota Statutes 2004, sections 119B.011, by adding a subdivision; 119B.05, subdivision 1; 256J.021; 256J.08, subdivision 65; 256J.521, subdivisions 1, 2; 256J.53, subdivision 2, by adding a subdivision; 256J.626, subdivisions 1, 2, 3, 4; proposing coding for new law in Minnesota Statutes, chapter 256J.

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

Section 1. Minnesota Statutes 2004, section 119B.011, is amended by adding a subdivision to read:

Subd. 23. Work participation rate enhancement program. "Work participation rate enhancement program" means the program established under section 256J.575.

Sec. 2. Minnesota Statutes 2004, section 119B.05, subdivision 1, is amended to read:

Subdivision 1. **Eligible participants.** Families eligible for child care assistance under the MFIP child care program are:

(1) MFIP participants who are employed or in job search and meet the requirements of section 119B.10;

(2) persons who are members of transition year families under section 119B.011, subdivision 20, and meet the requirements of section 119B.10;

(3) families who are participating in employment orientation or job search, or other employment or training activities that are included in an approved employability development plan under section 256J.95;

2.1 (4) MFIP families who are participating in work job search, job support,  
 2.2 employment, or training activities as required in their employment plan, or in appeals,  
 2.3 hearings, assessments, or orientations according to chapter 256J;

2.4 (5) MFIP families who are participating in social services activities under chapter  
 2.5 256J as required in their employment plan approved according to chapter 256J;

2.6 (6) families who are participating in services or activities that are included in an  
 2.7 approved family stabilization plan under section 256J.575;

2.8 (7) families who are participating in programs as required in tribal contracts under  
 2.9 section 119B.02, subdivision 2, or 256.01, subdivision 2; and

2.10 ~~(7)~~ (8) families who are participating in the transition year extension under section  
 2.11 119B.011, subdivision 20a.

2.12 Sec. 3. Minnesota Statutes 2004, section 256J.021, is amended to read:

2.13 **256J.021 ~~SEPARATE STATE PROGRAM FOR USE OF STATE MONEY~~**  
 2.14 **PROGRAMS.**

2.15 (a) Beginning October 1, 2001, 2006, and each year thereafter, the commissioner of  
 2.16 human services must treat MFIP expenditures made to or on behalf of any minor child  
 2.17 under section 256J.02, subdivision 2, clause (1), who is a resident of this state under  
 2.18 section 256J.12, and who is part of a two-parent eligible household as expenditures under a  
 2.19 separately funded state program and report those expenditures to the federal Department of  
 2.20 Health and Human Services as separate state program expenditures under Code of Federal  
 2.21 Regulations, title 45, section 263.5 funded with state nonmaintenance of effort funds.

2.22 (b) Beginning October 1, 2006, and each year thereafter, the commissioner of  
 2.23 human services must treat MFIP expenditures made to or on behalf of any minor child  
 2.24 under section 256J.02, subdivision 2, clause (1), who is a resident of this state under  
 2.25 section 256J.12, and who is part of a household participating in the work participation rate  
 2.26 enhancement program under section 256J.575, as expenditures under a program funded  
 2.27 with state nonmaintenance of effort funds.

2.28 Sec. 4. Minnesota Statutes 2004, section 256J.08, subdivision 65, is amended to read:

2.29 Subd. 65. **Participant.** "Participant" means a person who is currently receiving cash  
 2.30 assistance or the food portion available through MFIP. A person who fails to withdraw  
 2.31 or access electronically any portion of the person's cash and food assistance payment by  
 2.32 the end of the payment month, who makes a written request for closure before the first  
 2.33 of a payment month and repays cash and food assistance electronically issued for that  
 2.34 payment month within that payment month, or who returns any uncashed assistance

3.1 check and food coupons and withdraws from the program is not a participant. A person  
 3.2 who withdraws a cash or food assistance payment by electronic transfer or receives and  
 3.3 cashes an MFIP assistance check or food coupons and is subsequently determined to be  
 3.4 ineligible for assistance for that period of time is a participant, regardless whether that  
 3.5 assistance is repaid. The term "participant" includes the caregiver relative and the minor  
 3.6 child whose needs are included in the assistance payment. A person in an assistance unit  
 3.7 who does not receive a cash and food assistance payment because the case has been  
 3.8 suspended from MFIP is a participant. A person who receives cash payments under the  
 3.9 diversionary work program under section 256J.95 is a participant. A person who receives  
 3.10 cash payments under the work participation rate enhancement program under section  
 3.11 256J.575 is a participant.

3.12 Sec. 5. Minnesota Statutes 2004, section 256J.521, subdivision 1, is amended to read:

3.13 Subdivision 1. **Assessments.** (a) For purposes of MFIP employment services,  
 3.14 assessment is a continuing process of gathering information related to employability for  
 3.15 the purpose of identifying both participant's strengths and strategies for coping with  
 3.16 issues that interfere with employment. The job counselor must use information from the  
 3.17 assessment process to develop and update the employment plan under subdivision 2 or 3,  
 3.18 as appropriate, ~~and~~ to determine whether the participant qualifies for a family violence  
 3.19 waiver including an employment plan under subdivision 3, and to determine whether  
 3.20 the participant should be referred to the work participation rate enhancement program  
 3.21 under section 256J.575.

3.22 (b) The scope of assessment must cover at least the following areas:

3.23 (1) basic information about the participant's ability to obtain and retain employment,  
 3.24 including: a review of the participant's education level; interests, skills, and abilities; prior  
 3.25 employment or work experience; transferable work skills; child care and transportation  
 3.26 needs;

3.27 (2) identification of personal and family circumstances that impact the participant's  
 3.28 ability to obtain and retain employment, including: any special needs of the children, the  
 3.29 level of English proficiency, family violence issues, and any involvement with social  
 3.30 services or the legal system;

3.31 (3) the results of a mental and chemical health screening tool designed by the  
 3.32 commissioner and results of the brief screening tool for special learning needs. Screening  
 3.33 tools for mental and chemical health and special learning needs must be approved by the  
 3.34 commissioner and may only be administered by job counselors or county staff trained in  
 3.35 using such screening tools. The commissioner shall work with county agencies to develop

4.1 protocols for referrals and follow-up actions after screens are administered to participants,  
4.2 including guidance on how employment plans may be modified based upon outcomes  
4.3 of certain screens. Participants must be told of the purpose of the screens and how the  
4.4 information will be used to assist the participant in identifying and overcoming barriers to  
4.5 employment. Screening for mental and chemical health and special learning needs must  
4.6 be completed by participants who are unable to find suitable employment after six weeks  
4.7 of job search under subdivision 2, paragraph (b), and participants who are determined to  
4.8 have barriers to employment under subdivision 2, paragraph (d). Failure to complete the  
4.9 screens will result in sanction under section 256J.46; and

4.10 (4) a comprehensive review of participation and progress for participants who have  
4.11 received MFIP assistance and have not worked in unsubsidized employment during  
4.12 the past 12 months. The purpose of the review is to determine the need for additional  
4.13 services and supports, including placement in subsidized employment or unpaid work  
4.14 experience under section 256J.49, subdivision 13, or referral to the work participation rate  
4.15 enhancement program under section 256J.575.

4.16 (c) Information gathered during a caregiver's participation in the diversionary work  
4.17 program under section 256J.95 must be incorporated into the assessment process.

4.18 (d) The job counselor may require the participant to complete a professional chemical  
4.19 use assessment to be performed according to the rules adopted under section 254A.03,  
4.20 subdivision 3, including provisions in the administrative rules which recognize the cultural  
4.21 background of the participant, or a professional psychological assessment as a component  
4.22 of the assessment process, when the job counselor has a reasonable belief, based on  
4.23 objective evidence, that a participant's ability to obtain and retain suitable employment  
4.24 is impaired by a medical condition. The job counselor may assist the participant with  
4.25 arranging services, including child care assistance and transportation, necessary to meet  
4.26 needs identified by the assessment. Data gathered as part of a professional assessment  
4.27 must be classified and disclosed according to the provisions in section 13.46.

4.28 Sec. 6. Minnesota Statutes 2004, section 256J.521, subdivision 2, is amended to read:

4.29 Subd. 2. **Employment plan; contents.** (a) Based on the assessment under  
4.30 subdivision 1, the job counselor and the participant must develop an employment plan  
4.31 that includes participation in activities and hours that meet the requirements of section  
4.32 256J.55, subdivision 1. The purpose of the employment plan is to identify for each  
4.33 participant the most direct path to unsubsidized employment and any subsequent steps that  
4.34 support long-term economic stability. The employment plan should be developed using  
4.35 the highest level of activity appropriate for the participant. Activities must be chosen from

5.1 clauses (1) to (6), which are listed in order of preference. Notwithstanding this order of  
5.2 preference for activities, priority must be given for activities related to a family violence  
5.3 waiver when developing the employment plan. The employment plan must also list the  
5.4 specific steps the participant will take to obtain employment, including steps necessary  
5.5 for the participant to progress from one level of activity to another, and a timetable for  
5.6 completion of each step. Levels of activity include:

5.7 (1) unsubsidized employment;

5.8 (2) job search;

5.9 (3) subsidized employment or unpaid work experience;

5.10 (4) unsubsidized employment and job readiness education or job skills training;

5.11 (5) unsubsidized employment or unpaid work experience and activities related to  
a family violence waiver or preemployment needs; and

5.13 (6) activities related to a family violence waiver or preemployment needs.

5.14 (b) Participants who are determined to possess sufficient skills such that the  
5.15 participant is likely to succeed in obtaining unsubsidized employment must job search at  
5.16 least 30 hours per week for up to six weeks and accept any offer of suitable employment.

5.17 The remaining hours necessary to meet the requirements of section 256J.55, subdivision  
5.18 1, may be met through participation in other work activities under section 256J.49,  
5.19 subdivision 13. The participant's employment plan must specify, at a minimum: (1)  
5.20 whether the job search is supervised or unsupervised; (2) support services that will  
5.21 be provided; and (3) how frequently the participant must report to the job counselor.

5.22 Participants who are unable to find suitable employment after six weeks must meet  
5.23 with the job counselor to determine whether other activities in paragraph (a) should be  
5.24 incorporated into the employment plan. Job search activities which are continued after six  
5.25 weeks must be structured and supervised.

5.26 (c) Beginning July 1, 2004, activities and hourly requirements in the employment  
5.27 plan may be adjusted as necessary to accommodate the personal and family circumstances  
5.28 of participants identified under section 256J.561, subdivision 2, paragraph (d). Participants  
5.29 who no longer meet the provisions of section 256J.561, subdivision 2, paragraph (d),  
5.30 must meet with the job counselor within ten days of the determination to revise the  
5.31 employment plan.

5.32 (d) Participants who are determined to have barriers to obtaining or retaining  
5.33 employment that will not be overcome during six weeks of job search under paragraph (b)  
5.34 must work with the job counselor to develop an employment plan that addresses those  
5.35 barriers by incorporating appropriate activities from paragraph (a), clauses (1) to (6). The  
5.36 employment plan must include enough hours to meet the participation requirements in

6.1 section 256J.55, subdivision 1, unless a compelling reason to require fewer hours is noted  
6.2 in the participant's file.

6.3 (e) The job counselor and the participant must sign the employment plan to indicate  
6.4 agreement on the contents. Failure to develop or comply with activities in the plan, or  
6.5 voluntarily quitting suitable employment without good cause, will result in the imposition  
6.6 of a sanction under section 256J.46.

6.7 (f) Employment plans must be reviewed at least every three months to determine  
6.8 whether activities and hourly requirements should be revised. The job counselor is  
6.9 encouraged to allow participants who are participating in at least 20 hours of work  
6.10 activities to also participate in employment and training activities in order to meet the  
6.11 federal hourly participation rates.

6.12 Sec. 7. Minnesota Statutes 2004, section 256J.53, subdivision 2, is amended to read:

6.13 Subd. 2. **Approval of postsecondary education or training.** ~~(a) In order for a~~  
6.14 ~~postsecondary education or training program to be an approved activity in an employment~~  
6.15 ~~plan, the participant must be working in unsubsidized employment at least 20 hours per~~  
6.16 ~~week.~~

6.17 ~~(b)~~ (a) Participants seeking approval of a postsecondary education or training plan  
6.18 must provide documentation that:

6.19 (1) the employment goal can only be met with the additional education or training;

6.20 (2) there are suitable employment opportunities that require the specific education or  
6.21 training in the area in which the participant resides or is willing to reside;

6.22 (3) the education or training will result in significantly higher wages for the  
6.23 participant than the participant could earn without the education or training;

6.24 (4) the participant can meet the requirements for admission into the program; and

6.25 (5) there is a reasonable expectation that the participant will complete the training  
6.26 program based on such factors as the participant's MFIP assessment, previous education,  
6.27 training, and work history; current motivation; and changes in previous circumstances.

6.28 ~~(c)~~ (b) The hourly unsubsidized employment requirement does not apply for  
6.29 intensive education or training programs lasting 12 weeks or less when full-time  
6.30 attendance is required.

6.31 ~~(d)~~ (c) Participants with an approved employment plan in place on July 1, 2003,  
6.32 which includes more than 12 months of postsecondary education or training shall be  
6.33 allowed to complete that plan provided that hourly requirements in section 256J.55,  
6.34 subdivision 1, and conditions specified in paragraph ~~(b)~~ (a), and subdivisions 3 and 5 are  
6.35 met. A participant whose case is subsequently closed for three months or less for reasons

7.1 other than noncompliance with program requirements and who returns to MFIP shall  
7.2 be allowed to complete that plan provided that hourly requirements in section 256J.55,  
7.3 subdivision 1, and conditions specified in paragraph ~~(b)~~ (a) and subdivisions 3 and 5 are  
7.4 met.

7.5 Sec. 8. Minnesota Statutes 2004, section 256J.53, is amended by adding a subdivision  
7.6 to read:

7.7 Subd. 2a. Employment while attending postsecondary education. For the first  
7.8 12 months of education, the participant may work, but there is no work requirement.  
7.9 For the subsequent 12 months of education, the participant must work in unsubsidized  
7.10 employment at least 20 hours per week.

7.11 Sec. 9. [256J.575] WORK PARTICIPATION RATE ENHANCEMENT  
7.12 PROGRAM.

7.13 Subdivision 1. Purpose. (a) The work participation rate enhancement program  
7.14 (WORK PREP) is Minnesota's cash assistance program to serve families who are not  
7.15 making significant progress within MFIP due to a variety of barriers to employment.

7.16 (b) The goal of this program is to stabilize and improve the lives of families at  
7.17 risk of long-term welfare dependency or family instability due to employment barriers  
7.18 such as physical disability, mental disability, age, and caring for a disabled household  
7.19 member. WORK PREP provides services to promote and support families to achieve the  
7.20 greatest possible degree of self-sufficiency. Counties may provide supportive and other  
7.21 allowable services funded by the MFIP consolidated fund under section 256J.626 to  
7.22 eligible participants.

7.23 Subd. 2. Definitions. The terms used in this section have the meanings given them  
7.24 in paragraphs (a) to (d).

7.25 (a) The "work participation rate enhancement program" means the program  
7.26 established under this section.

7.27 (b) "Case management" means the services provided by or through the county agency  
7.28 to participating families, including assessment, information, referrals, and assistance in the  
7.29 preparation and implementation of a family stabilization plan under subdivision 5.

7.30 (c) "Family stabilization plan" means a plan developed by a case manager and  
7.31 the participant, which identifies the participant's most appropriate path to unsubsidized  
7.32 employment, family stability, and barrier reduction, taking into account the family's  
7.33 circumstances.

8.1 (d) "Family stabilization services" means programs, activities, and services in this  
8.2 section that provide participants and their family members with assistance regarding,  
8.3 but not limited to:

8.4 (1) obtaining and retaining unsubsidized employment;

8.5 (2) family stability;

8.6 (3) economic stability; and

8.7 (4) barrier reduction.

8.8 The goal of the program is to achieve the greatest degree of economic self-sufficiency  
8.9 and family well-being possible for the family under the circumstances.

8.10 Subd. 3. Eligibility. (a) The following MFIP or DWP participants are eligible for  
8.11 the program under this section:

8.12 (1) a participant identified under section 256J.561, subdivision 2, paragraph (d), who  
8.13 has or is eligible for an employment plan developed under section 256J.521, subdivision  
8.14 2, paragraph (c);

8.15 (2) a participant identified under section 256J.95, subdivision 12, paragraph (b), as  
8.16 unlikely to benefit from the diversionary work program;

8.17 (3) a participant who meets the requirements for or has been granted a hardship  
8.18 extension under section 256J.425, subdivision 2 or 3; and

8.19 (4) a participant who is applying for supplemental security income or Social Security  
8.20 disability insurance.

8.21 (b) Families must meet all other eligibility requirements for MFIP established in  
8.22 this chapter. Families are eligible for financial assistance to the same extent as if they  
8.23 were participating in MFIP.

8.24 Subd. 4. Universal participation. All caregivers must participate in family  
8.25 stabilization services as defined in subdivision 2.

8.26 Subd. 5. Case management; family stabilization plans; coordinated services. (a)  
8.27 The county agency shall provide family stabilization services to families through a case  
8.28 management model. A case manager shall be assigned to each participating family within  
8.29 30 days after the family begins to receive financial assistance as a participant of the work  
8.30 participation rate enhancement program. The case manager, with the full involvement  
8.31 of the family, shall recommend, and the county agency shall establish and modify as  
8.32 necessary, a family stabilization plan for each participating family.

8.33 (b) The family stabilization plan shall include:

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

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

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

9.7 (c) The case manager and the participant must meet within 30 days of the family's  
 9.8 referral to the case manager. The initial family stabilization plan shall be completed within  
 9.9 30 days of the first meeting with the case manager. The case manager shall establish a  
 9.10 schedule for periodic review of the family stabilization plan that includes personal contact  
 9.11 with the participant at least once per month. In addition, the case manager shall review  
 9.12 and modify if necessary the plan under the following circumstances:

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

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

9.15 (3) a family member has failed to comply with a family stabilization plan  
 9.16 requirement;

9.17 (4) services required by the plan are unavailable; or

9.18 (5) changes to the plan are needed to promote the well-being of the children.

9.19 (d) Family stabilization plans under this section shall be written for a period of  
 9.20 time not to exceed six months.

9.21 **Subd. 6. Cooperation with program requirements.** (a) To be eligible, a participant  
 9.22 must comply with paragraphs (b) to (f).

9.23 (b) Participants shall engage in family stabilization plan activities listed in clause (1)  
 9.24 or (2) for the number of hours per week that the activities are scheduled and available,  
 9.25 unless good cause exists for not doing so, as defined in section 256J.57, subdivision 1:

9.26 (1) in single-parent families with no children under six years of age, the case  
 9.27 manager and the participant must develop a family stabilization plan that includes 30 to 35  
 9.28 hours per week of activities; and

9.29 (2) in single-parent families with a child under six years of age, the case manager  
 9.30 and the participant must develop a family stabilization plan that includes 20 to 35 hours  
 9.31 per week of activities.

9.32 (c) The case manager shall review the participant's progress toward the goals in the  
 9.33 family stabilization plan every six months to determine whether conditions have changed,  
 9.34 including whether revisions to the plan are needed.

9.35 (d) When the participant has increased participation in work-related activities  
 9.36 sufficient to meet the federal participation requirements of TANF, the county agency shall

10.1 refer the participant to the MFIP program and assign the participant to a job counselor.  
 10.2 The participant and the job counselor must meet within 15 days of referral to MFIP to  
 10.3 develop an employment plan under section 256J.521. No reapplication is necessary and  
 10.4 financial assistance shall continue without interruption.

10.5 (e) Participants who have not increased their participation in work activities  
 10.6 sufficient to meet the federal participation requirements of TANF may request a referral to  
 10.7 the MFIP program and assignment to a job counselor after 12 months in the program.

10.8 (f) A participant's requirement to comply with any or all family stabilization plan  
 10.9 requirements under this subdivision shall be excused when the case management services,  
 10.10 training and educational services, and family support services identified in the participant's  
 10.11 family stabilization plan are unavailable for reasons beyond the control of the participant,  
 10.12 including when money appropriated is not sufficient to provide the services.

10.13 Subd. 7. Sanctions. (a) The financial assistance grant of a participating family shall  
 10.14 be reduced, according to section 256J.46, if a participating adult fails without good cause  
 10.15 to comply or continue to comply with the family stabilization plan requirements in this  
 10.16 subdivision, unless compliance has been excused under subdivision 6, paragraph (f).

10.17 (b) Given the purpose of the work participation rate enhancement program in this  
 10.18 section and the nature of the underlying family circumstances that act as barriers to both  
 10.19 employment and full compliance with program requirements, sanctions are appropriate  
 10.20 only when it is clear that there is both the ability to comply and willful noncompliance on  
 10.21 the part of the participant, as confirmed by a behavioral health or medical professional.

10.22 (c) Prior to the imposition of a sanction, the county agency must review the  
 10.23 participant's case to determine if the family stabilization plan is still appropriate and  
 10.24 meet with the participants face-to-face. The participant may bring an advocate to the  
 10.25 face-to-face meeting. If a face-to-face meeting is not conducted, the county agency must  
 10.26 send the participant a written notice that includes the information required under clause (1):

10.27 (1) during the face-to-face meeting, the county agency must:

10.28 (i) determine whether the continued noncompliance can be explained and mitigated  
 10.29 by providing a needed family stabilization service, as defined in subdivision 2, paragraph

10.30 (d);

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

10.35 (iii) determine whether activities in the family stabilization plan are appropriate  
 10.36 based on the family's circumstances;

- 11.1 (iv) explain the consequences of continuing noncompliance;  
 11.2 (v) identify other resources that may be available to the participant to meet the  
 11.3 needs of the family; and  
 11.4 (vi) inform the participant of the right to appeal under section 256J.40; and  
 11.5 (2) if the lack of an identified activity or service can explain the noncompliance, the  
 11.6 county must work with the participant to provide the identified activity.  
 11.7 (d) After the requirements of paragraph (c) are met and prior to imposition of a  
 11.8 sanction, the county agency shall provide a notice of intent to sanction under section  
 11.9 256J.57, subdivision 2, and, when applicable, a notice of adverse action as provided  
 11.10 in section 256J.31.  
 11.11 (e) Section 256J.57 applies to this section except to the extent that it is modified  
 11.12 by this subdivision.

11.13 **Sec. 10. [256J.621] WORK PARTICIPATION BONUS.**

11.14 Upon exiting the diversionary work program (DWP) or upon terminating MFIP cash  
 11.15 assistance with earnings, a participant who is employed and working 24 hours a week may  
 11.16 be eligible for transitional assistance of \$50 per month to assist in meeting the family's  
 11.17 basic needs as the participant continues to move toward self-sufficiency.

11.18 To be eligible for a transitional assistance payment, the participant must not receive  
 11.19 MFIP cash assistance or diversionary work program assistance during the month and  
 11.20 must be employed an average of at least 24 hours a week. Transitional assistance shall  
 11.21 be available for a maximum of 12 months from the date the participant exited the  
 11.22 diversionary work program or terminated MFIP cash assistance.

11.23 The commissioner shall establish minimal policies and develop forms to verify  
 11.24 eligibility for transitional assistance. The commissioner is authorized to change or  
 11.25 modify the provisions of this section in order to comply with federal rules or regulations  
 11.26 promulgated as a result of federal legislation passed in February 2006.

11.27 Expenditures on the transitional assistance program shall be nonmaintenance of  
 11.28 effort state funds. Months in which a participant receives transitional assistance under this  
 11.29 section shall not count toward the participant's MFIP 60-month time limit.

11.30 **Sec. 11. Minnesota Statutes 2004, section 256J.626, subdivision 1, is amended to read:**

31 **Subdivision 1. Consolidated fund.** The consolidated fund is established to support  
 11.32 counties and tribes in meeting their duties under this chapter. Counties and tribes must  
 11.33 use funds from the consolidated fund to develop programs and services that are designed  
 11.34 to improve participant outcomes as measured in section 256J.751, subdivision 2, and

12.1 to provide case management services to participants of the work participation rate  
12.2 enhancement program. Counties may use the funds for any allowable expenditures under  
12.3 subdivision 2. Tribes may use the funds for any allowable expenditures under subdivision  
12.4 2, except those in clauses (1) and (6).

12.5 Sec. 12. Minnesota Statutes 2004, section 256J.626, subdivision 2, is amended to read:

12.6 Subd. 2. **Allowable expenditures.** (a) The commissioner must restrict expenditures  
12.7 under the consolidated fund to benefits and services allowed under title IV-A of the federal  
12.8 Social Security Act. Allowable expenditures under the consolidated fund may include, but  
12.9 are not limited to:

12.10 (1) short-term, nonrecurring shelter and utility needs that are excluded from the  
12.11 definition of assistance under Code of Federal Regulations, title 45, section 260.31, for  
12.12 families who meet the residency requirement in section 256J.12, subdivisions 1 and 1a.  
12.13 Payments under this subdivision are not considered TANF cash assistance and are not  
12.14 counted towards the 60-month time limit;

12.15 (2) transportation needed to obtain or retain employment or to participate in other  
12.16 approved work activities or activities under a family stabilization plan;

12.17 (3) direct and administrative costs of staff to deliver employment services for MFIP  
12.18 ~~or~~, the diversionary work program, or the work participation rate enhancement program;  
12.19 to administer financial assistance; and to provide specialized services intended to assist  
12.20 hard-to-employ participants to transition to work or transition from the work participation  
12.21 rate enhancement program to MFIP;

12.22 (4) costs of education and training including functional work literacy and English as  
12.23 a second language;

12.24 (5) cost of work supports including tools, clothing, boots, and other work-related  
12.25 expenses;

12.26 (6) county administrative expenses as defined in Code of Federal Regulations, title  
12.27 45, section 260(b);

12.28 (7) services to parenting and pregnant teens;

12.29 (8) supported work;

12.30 (9) wage subsidies;

12.31 (10) child care needed for MFIP ~~or~~, the diversionary work program, or the work  
12.32 participation rate enhancement program participants to participate in social services;

12.33 (11) child care to ensure that families leaving MFIP or diversionary work program  
12.34 will continue to receive child care assistance from the time the family no longer qualifies

13.1 for transition year child care until an opening occurs under the basic sliding fee child  
 13.2 care program; ~~and~~

13.3 (12) services to help noncustodial parents who live in Minnesota and have minor  
 13.4 children receiving MFIP or DWP assistance, but do not live in the same household as the  
 13.5 child, obtain or retain employment; and

13.6 (13) services to help families participating in the work participation rate  
 13.7 enhancement program achieve the greatest possible degree of self-sufficiency.

13.8 (b) Administrative costs that are not matched with county funds as provided in  
 13.9 subdivision 8 may not exceed 7.5 percent of a county's or 15 percent of a tribe's allocation  
 13.10 under this section. The commissioner shall define administrative costs for purposes of  
 13.11 this subdivision.

13.12 Sec. 13. Minnesota Statutes 2004, section 256J.626, subdivision 3, is amended to read:

13.13 Subd. 3. **Eligibility for services.** Families with a minor child, a pregnant woman,  
 13.14 or a noncustodial parent of a minor child receiving assistance, with incomes below 200  
 13.15 percent of the federal poverty guideline for a family of the applicable size, are eligible  
 13.16 for services funded under the consolidated fund. Counties and tribes must give priority  
 13.17 to families currently receiving MFIP ~~or~~ the diversionary work program, or the work  
 13.18 participation rate enhancement program, and families at risk of receiving MFIP or  
 13.19 diversionary work program.

13.20 Sec. 14. Minnesota Statutes 2004, section 256J.626, subdivision 4, is amended to read:

13.21 Subd. 4. **County and tribal biennial service agreements.** (a) Effective January 1,  
 13.22 2004, and each two-year period thereafter, each county and tribe must have in place an  
 13.23 approved biennial service agreement related to the services and programs in this chapter.  
 13.24 In counties with a city of the first class with a population over 300,000, the county must  
 13.25 consider a service agreement that includes a jointly developed plan for the delivery of  
 13.26 employment services with the city. Counties may collaborate to develop multicounty,  
 13.27 multitribal, or regional service agreements.

13.28 (b) The service agreements will be completed in a form prescribed by the  
 13.29 commissioner. The agreement must include:

13.30 (1) a statement of the needs of the service population and strengths and resources  
 13.31 in the community;

13.32 (2) numerical goals for participant outcomes measures to be accomplished during  
 13.33 the biennial period. The commissioner may identify outcomes from section 256J.751,  
 13.34 subdivision 2, as core outcomes for all counties and tribes;

- 14.1 (3) strategies the county or tribe will pursue to achieve the outcome targets.  
14.2 Strategies must include specification of how funds under this section will be used and may  
14.3 include community partnerships that will be established or strengthened; ~~and~~  
14.4 (4) strategies the county or tribe will pursue under the work participation rate  
14.5 enhancement program; and  
14.6 (5) other items prescribed by the commissioner in consultation with counties and  
14.7 tribes.
- 14.8 (c) The commissioner shall provide each county and tribe with information needed  
14.9 to complete an agreement, including: (1) information on MFIP cases in the county or  
14.10 tribe; (2) comparisons with the rest of the state; (3) baseline performance on outcome  
14.11 measures; and (4) promising program practices.
- 14.12 (d) The service agreement must be submitted to the commissioner by October 15,  
14.13 2003, and October 15 of each second year thereafter. The county or tribe must allow  
14.14 a period of not less than 30 days prior to the submission of the agreement to solicit  
14.15 comments from the public on the contents of the agreement.
- 14.16 (e) The commissioner must, within 60 days of receiving each county or tribal service  
14.17 agreement, inform the county or tribe if the service agreement is approved. If the service  
14.18 agreement is not approved, the commissioner must inform the county or tribe of any  
14.19 revisions needed prior to approval.
- 14.20 (f) The service agreement in this subdivision supersedes the plan requirements  
14.21 of section 116L.88.

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

**Senate**

**State of Minnesota**

**S.F. No. 3103 - MFIP Work Participation Rate  
Enhancement Program**

**Author:** Senator Linda Berglin

**Prepared by:** Joan White, Senate Counsel (651/296-3814)

**Date:** March 28, 2006

---

**Sections 1 and 2 (119B.011, subdivision 23; 119B.05, subdivision 1)** amend child care statutes, inserting the definition of the new program, Work Participation Rate Enhancement Program, and making families who are participating in this program eligible for child care assistance.

**Section 3 (256J.021)** funds child-only cases with nonmaintenance of effort funds.

**Section 4 (256J.08, subdivision 65)** expands the MFIP definition of "participant" to include a person who receives cash payments under the work participation rate enhancement program.

**Section 5 (256J.521, subdivision 1)** amends the assessment of the MFIP participant by requiring the job counselor to determine if the participant should be referred to the new program established under section 6.

**Section 6 (256J.521, subdivision 2)** modifies MFIP employment plans, to encourage job counselors to allow participants who are participating in at least 20 hours of work activities to also participate in employment and training activities in order to meet the federal hourly participation rates.

**Section 7 (256J.53, subdivision 2)** strikes language requiring a participant to work in unsubsidized employment at least 20 hours per week in order for a post secondary education or training program to be approved.

**Section 8 (256J.53, subdivision 2a)** adds language allowing a participant to work for the first 12 months of education, and requiring a participant to work at least 20 hours per week in unsubsidized employment for the subsequent 12 months of education.

**Section 9 (267J.575)** establishes the work participation rate enhancement program (WORK PREP).

**Subdivision 1** states the purpose of the program, which is to serve families who are not making significant progress within MFIP due to barriers to employment. The program's goal is to stabilize and improve the lives of families at risk of long-term welfare dependency.

**Subdivision 2** defines the program terms, which are "work participation rate enhancement program," "case management," "family stabilization plan," and "family stabilization services."

**Subdivision 3** specifies the eligibility criteria for the program. Eligible participants include:

(1) participants who are age 60 or older, have been diagnosed as suffering from an illness or incapacity that is expected to last 30 days or more, or participants who are needed in the home to care for an ill or incapacitated family member, provided the individual is eligible for or has an employment plan that is adjusted due to personal and family circumstances under the MFIP assessment statute;

(2) participants who are unlikely to benefit from DWP, which includes individuals who are unable to obtain or retain employment due to illness, injury, or incapacity, individuals who are required in the home as a caregiver, individuals who are pregnant and unable to work, and individuals who have applied for SSI or SSDI.

(3) participants who meets the requirements for or have been granted a hardship extension under either the ill or incapacitated or hard-to-employ category; or

(4) a person applying for SSI or SSDI.

Families must meet all other MFIP eligibility requirements, and they are eligible for the same financial assistance as MFIP participants.

**Subdivision 4** requires all participants to participate in the family stabilization services.

**Subdivision 5** requires the county to provide family stabilization services through a case management model. This section specifies what must be included in the family stabilization plan, when the case manager and the family must meet to develop the plan, and under what circumstances the case manager may modify the plan.

**Subdivision 6** requires compliance with the plan, and specifies the number of hours the family must be participating in activities. When the participant's participation in work activities meets the federal participation requirements, the participant is referred to the MFIP program and assigned a job counselor.

**Subdivision 7** specifies the sanction policy for participants in this program.

**Section 10(256J.621)** establishes the work participation bonus, which provides \$50 per month to a participant who is employed and working at least 24 hours per week when the participant's case is closed. The participant will receive the bonus in any month that the participant is employed an average of 24 hours per week, for a maximum of 12 months.

**Sections 11 to 14 (256J.626, subdivision 1; 256J.626, subdivision 2; 256J.626, subdivision 3; 256J.626, subdivision 4) incorporate expenditures for the work participation rate enhancement program into the MFIP consolidated fund.**

JW:mvm

**Fiscal Note – 2005-06 Session**

**Bill #:** S3103-0 **Complete Date:** 03/29/06

**Chief Author:** BERGLIN, LINDA

**Title:** MFIP WORK PARTICPTN RATE ENHMNT PROG

<b>Fiscal Impact</b>	<b>Yes</b>	<b>No</b>
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

**Agency Name:** Human Services Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Expenditures</b>					
General Fund		0	463	5,246	6,848
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund		0	463	5,246	6,848
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund		0	463	5,246	6,848
<b>Total Cost &lt;Savings&gt; to the State</b>		0	463	5,246	6,848

	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Full Time Equivalent</b>					
-- No Impact --					
<b>Total FTE</b>					

**NARRATIVE: SF 3103/HF 3976**

Bill Description

This bill establishes a Work Prep program for Minnesota Family Investment Program (MFIP) families who are not making significant progress in MFIP and funds these families with non-maintenance of effort (MOE) state funds, funds two-parent MFIP families with non-MOE state funds, removes the requirement that MFIP participants enrolled in post-secondary education must work 20 hours per week for the first 12 months of education. The bill also creates a work participation bonus of \$50 per month for families who exit the Diversionary Work Program (DWP) or MFIP with earnings for up to twelve months from the date the participant exited the program. To be eligible the participant must not receive MFIP or DWP assistance during the month and must be employed an average of at least 24 hours a week.

Assumptions

See attached

Expenditure and/or Revenue Formula

See attached

Systems costs would be needed to implement the provisions in this bill.

Costs to implement the Work Prep program are estimated at \$20,720, of which the state share is \$11,396. Programming would require three months to complete. This time is included in the fiscal note assumptions.

Costs to implement the Work Participation Bonus are estimated at \$417,400, of which the state share is \$229,570.

Programming for this provision would require 15 months to complete. This time is included in the fiscal note assumptions.

Total Systems Costs: \$438,120, of which state share is \$240,966

Long-term Fiscal Considerations

Local Government Costs

References/Sources

Susan Snyder,  
Reports & Forecasts,  
MN Dept of Human Services  
651. 651.431.2947

Minnesota  
MINNESOTA FAMILY INVESTMENT PROGRAM  
Fiscal Analysis of SF3103  
-----

Sections 3 and 9, Subd. 3. Non-Maintenance of Effort (non-MOE) programs and Work PREP eligibility Section 9 creates the eligibility categories for the Work Participation Enhancement Program (Work PREP). Included in this program are the following groups: 1) MFIP cases with an eligible caregiver over 60 years old, 2) MFIP cases with a caregiver who is ill or incapacitated longer than 30 days, 3) MFIP cases with a caregiver who is needed in the home to care for someone who is ill or incapacitated, 4) MFIP cases that meet the requirements for the Hard to Employ hardship extension, 5) MFIP cases in which the caregiver is applying for SSI or RSDI, and 6) MFIP cases who have been identified as unlikely to benefit from DWP.

The Work PREP program does not result in eligibility or payment changes for the eligible cases. However, the Work PREP program is funded with non-maintenance of effort (non-MOE) funds. This implies that the Work PREP program must be entirely funded with state General Fund dollars. To the extent that there are not enough available General Fund expenditures in the current law MFIP forecast, the creation of this non-MOE program would result in a net cost as additional General Fund dollars would be required in the forecast. Further, since the funding for this program cannot be used as MOE, there is no ability to refinance the additional General Fund cost. Finally, additional non-cash MOE expenditures (qualifying MOE outside the MFIP program) would need to be identified to replace the cash MOE taken out of the current law MFIP forecast for the Work PREP program.

In addition to the Work PREP program, section 3 requires the current law separate state program for two-parent MFIP families to be funded with non-MOE funds. This fiscal analysis accounts for this funding change to the two-parent separate state program. Additionally, state General Fund expenditures for the two-parent separate state program are currently counted towards the state's MOE requirement. The funding change implies the need for additional non-cash MOE (qualifying MOE outside the MFIP program) to be identified to replace the cash MOE taken out of the current law MFIP forecast.

It is estimated that approximately \$23 million per year would be needed to fund cash assistance for the Work PREP eligible cases. It is also estimated that the current law forecast has between \$17-\$37 million in available General Funds depending on the fiscal year. Thus, this fiscal analysis identifies in which fiscal years there is a projected deficit of General Fund dollars with the creation of the Work PREP program, and the amount of the deficit.

The effective date is July 1, 2006. Systems programming would take an additional 3 months so that implementation would be Oct 1, 2006.

	FY 2006	FY 2007	FY 2008	FY 2009
Projected available General Fund in the current law forecast	\$28,537,999	\$17,475,108	\$36,912,702	\$35,096,800
Projected General Funds needed for the Work PREP program	\$0	\$17,313,031	\$23,133,348	\$23,133,348
Total General Fund cost	\$0	\$0	\$0	\$0

The following table outlines the amount of qualifying non-cash MOE that is required to replace current law MOE expenditures within MFIP for the two-parent separate state program and the Work PREP program.

	FY 2006	FY 2007	FY 2008	FY 2009
Two-parent non-MOE program	\$0	\$14,490,362	\$19,361,750	\$19,369,466
Work PREP non-MOE program	\$0	\$17,313,031	\$23,133,348	\$23,133,348
Total required non-cash MOE	\$0	\$31,803,392	\$42,495,098	\$42,502,814

#### Section 9. Subd. 7. Sanctions

This section outlines the sanction policy with respect to the MFIP cases eligible for the Work PREP separate state program. The primary difference from current law for these cases is that a sanction can only be imposed on a Work PREP case if it is clear that there is both the ability to comply and willful noncompliance on the part of the participant. This would result in fewer sanctions for these cases.

Based on MAXIS data, it is estimated that about 2% of the Work PREP cases are currently in sanction status. It is assumed that the new sanction policy will decrease the percent sanctioned by one-half, to about 1%. The estimated increase in average monthly payment is about \$123. The effective date is assumed to be October 1, 2006.

	FY 2006	FY 2007	FY 2008	FY 2009
Avg monthly Work PREP cases with current sanction	100	100	100	100
Pct w/ no sanction under policy	50%	50%	50%	50%
Avg monthly Work PREP cases with no sanction under new policy	50	50	50	50
Increase in avg monthly payment	\$123	\$123	\$123	\$123
Months	0	9	12	12
Total cost for sanction policy	\$0	\$55,622	\$74,163	\$74,163

Sections 7 and 8. Work Requirements for Education Plans This section reduces the work component for MFIP cases participating in a post-secondary education plan. Currently participants in post-secondary education programs are required to work 20 hours per week at unsubsidized employment. This proposal eliminates that requirement in the first twelve months of a post-secondary education program. The fiscal impact on MFIP cash grants is created by the decreased budgeted earnings that result from the decreased earned income of those education program participants who will choose to work fewer hours.

Based on department data, it is estimated that about 245 cases in an average month include a caregiver who is employed and in the first twelve months of a post-secondary education program. Of these cases, it is assumed that half would decrease their work hours. This implies that approximately 123 cases would have reduced budgeted earnings. It is assumed that each of these cases earn minimum wage and thus the grant would be increased by \$247 per month for a standard family size of three.

The effective date is July 1, 2006. Due to the requirement that DHS receive prior approval from the US Department of Agriculture, this section is projected to be implemented August 1, 2006.

	FY2006	FY2007	FY2008	FY2009
Avg monthly MFIP cases	38,168	38,534	38,616	38,631
Pct working and in first 12 months of education	0.63%	0.63%	0.63%	0.63%
Avg mo. cases w/educ and work	242	244	245	245
Percent reducing their work hours	50%	50%	50%	50%
Avg monthly cases with less work	121	122	123	123
Avg monthly increase in grant	\$247	\$247	\$247	\$247
Number of months	0	11	12	12
Phase-in	0%	50%	100%	100%
Total cost from reduced work	\$0	\$166,156	\$363,297	\$363,442

#### Section 10. Work Participation Bonus

This section creates the work participation bonus. This bonus is \$50 per family per month for up to 12 months following DWP case closure or exit from MFIP cash assistance. To be eligible for the monthly bonus payment, the family must not be receiving MFIP or DWP cash assistance and eligible caregivers must be working at least 24 hours per week. This implies that some MFIP cases who receive only the food portion under current law could be eligible to receive the \$50 work participation bonus as well. Families who exit DWP without becoming eligible for MFIP or exit MFIP cash assistance without receiving the MFIP food portion are also potentially eligible for this bonus. Additionally, the bonus can be paid in non-consecutive months during the twelve month period that the family is potentially eligible for the bonus payments. Finally, this work participation bonus is treated as a non-MOE program, which implies that the bonus payments must be funded out of state General Fund dollars.

Based on MAXIS data, it is projected that there are about 1025 DWP closings in a given month and that about 2500 MFIP cases exit cash assistance in a given month. It is estimated that about 26% of DWP closings would be eligible for bonus payments (i.e. they do not receive MFIP cash assistance and they meet the work requirement). It is also estimated that about 32% of the MFIP cash assistance exits meet the work requirement and are thus eligible for the bonus. The potential for a family to miss the work requirement in a given month implies that not all families will receive the full 12 months of bonus payments. It is assumed that eligible families will receive an average of 10 of 12 possible months of the work participation bonus.

The effective date for this section is July 1, 2006. Due to the requirement that DHS receive prior approval from the US Department of Agriculture, the first possible implementation date would be August 1, 2006. Systems programming would take an additional 14 months to complete so the projected implementation date is October 1, 2007.

MFIP cash assistance exits	FY 2006	FY 2007	FY 2008	FY 2009
Average monthly exits from MFIP cash assistance	2,500	2,500	2,500	2,500
Pct meeting hours requirement	32%	32%	32%	32%
Avg mo. cases eligible for bonus	803	803	803	803
Avg no. of months receiving bonus	10	10	10	10
Monthly bonus payment	\$50	\$50	\$50	\$50
Phase-in	0%	0%	100%	100%
Total cost for MFIP cash exits	\$0	\$0	\$3,613,139	\$4,817,518

DWP closings	FY 2006	FY 2007	FY 2008	FY 2009
Avg monthly closings from DWP	1,025	1,025	1,025	1,025
Pct meeting hours requirement	26%	26%	26%	26%
Avg mo. cases eligible for bonus	266	266	266	266
Avg no. of months receiving bonus	10	10	10	10
Monthly bonus payment	\$50	\$50	\$50	\$50
Phase-in	0%	0%	100%	100%
Total cost for DWP closings	\$0	\$0	\$1,194,971	\$1,593,294

Fiscal Summary	FY2006	FY2007	FY2008	FY2009
(in thousands)				
Work PREP	\$0	\$0	\$0	\$0
Sanctions	\$0	\$56	\$74	\$74

Education Plans	\$0	\$166	\$363	\$363
MFIP bonus	\$0	\$0	\$3,613	\$4,818
DWP bonus	\$0	\$0	\$1,195	\$1,593
---	-----	-----	-----	-----
Total Cost	\$0	\$222	\$5,246	\$6,848

Agency Contact Name: Jenny Ehrnst 282-2595  
 FN Coord Signature: STEVE BARTA  
 Date: 03/29/06 Phone: 431-2916

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LISA MUELLER  
 Date: 03/29/06 Phone: 296-6661

**Testimony:  
Minnesota State Senate Health and Human Services Committee  
SF 3103: TANF Compliance**

**Deborah Schlick, Executive Director  
The Affirmative Options Coalition  
2314 University Ave. West, #20  
Saint Paul, MN 55114**

**March 29, 2006**

I am Deborah Schlick, executive director of the Affirmative Options Coalition, a statewide coalition of organizations and networks that support public policies that ensure opportunities for families to move out of poverty.

The Affirmative Options Coalition is pleased to see the introduction of Senate File 3103. I think it is important to remind us why this bill is in front of the legislature: in February of this year Congress changed the formula by which it measures state performance in welfare to work programs. That formula change was part of the 2005 Budget Reconciliation Act, and by Congressional rule the only policies that can be included in budget reconciliation are those that have significant fiscal impact. The formula change was allowed in that bill, because the analysis by the Congressional Budget Office indicated that 47 of the 50 states are forecast to fail to reach their performance targets under the new formula. That will allow the federal government to penalize the TANF (Temporary Assistance to Needy Families) block grants to the states and bank those penalties as savings to the federal budget. If Minnesota takes the full five percent penalty in the next biennium that would mean losing \$13 million of the federal block grant, having to replace those lost federal funds with state general fund dollars and having to increase the state's maintenance of effort spending in the MFIP program by \$11 million. Penalties can increase each year up to 21% of a state's federal TANF block grant. No one knows yet whether Health and Human Services will take an all or nothing approach to the penalties or graduate the penalties based on significant progress a state shows in nearing the performance target.

Senate File 3103 (and its companion in the House 3976) is the only significant legislation proposed to address the challenge Minnesota faces in preserving its TANF funding. We commend this legislation for facing that challenge while also protecting the best interests of the families and children who rely on MFIP.

We appreciate that SF 3103 does four important things:

- It offers a nod to the original premise of the Minnesota Family Investment Program by rewarding work—by offering stipends to families who get jobs



that take them off MFIP (and because they are off the program would not count in the performance target, the Work Participation Rate);

- It recognizes that a small subset of families on MFIP face significant challenges because of the parent's and/or another family member's disabilities and impairments. Seven out of 10 families are working or off welfare within three years of coming on the program – and half are off within a year, according to studies commissioned and done by DHS. Of that small group reaching or nearing time limits, more than 80% of the parents expected to go to work have at least one disability – and many have multiple functioning impairments. The services those families need are very different from the services needed by the families moving on and off MFIP within a year.
- It opens the doors wider to education and training, creating the opportunity for more parents on MFIP to develop the skills that will get them jobs that can move them and their children beyond poverty.
- It protects two-parent families by funding their support on state dollars that would not count in the federal measure – a 90% work participation rate that no state has met. (And we note the irony in a federal bill that eliminates the high performance bonus to states in order to fund government-supported marriage initiatives while at the same time creating a strong incentive to states to discontinue supporting two-parent families who turn to assistance. Minnesota has earned that high performance bonus six out of the last seven years. In 2005 it was \$13 million.)

This bill looks forward to protecting the Minnesota state budget and it looks out for the best interests of families and the more than 80,000 children a month who rely on this program. We ask that you support its passage.



ATTACHMENT "B"

03/27/06

COUNSEL

JW/MM

SCS3103A-1

- 1.1 Senator ..... moves to amend S.F. No. 3103 as follows:
- 1.2 Page 7, line 20, delete everything after the period
- 1.3 Page 7, delete lines 21 and 22
- 1.4 Page 9, line 23, delete "activities listed in clause (1)" and insert "services"
- 1.5 Page 9, line 24, delete "or (2)" and before "number" insert "appropriate" and after "
- 1.6 week" insert "based on the participant's plan, but not fewer than ten hours,"
- 1.7 Page 9, line 25, delete the colon and insert a period
- 1.8 Page 9, delete lines 26 to 31
- 1.9 Page 10, line 20, delete "on" and insert "by"
- 1.10 Page 10, line 21, delete "the part of"
- 1.11 Page 10, line 24, delete "participants" and insert "participant"
- 1.12 Page 11, line 27, delete "nonmaintenance" and insert "maintenance"

1.1 Senator ..... moves to amend S.F. No. 3103 as follows:

1 Page 14, after line 21, insert:

1.3 "Sec. 15. Minnesota Statutes 2004, section 256J.626, subdivision 5, is amended to  
1.4 read:

1.5 Subd. 5. **Innovation projects.** Beginning January 1, 2005, no more than \$3,000,000  
1.6 of the funds annually appropriated to the commissioner for use in the consolidated  
1.7 fund shall be available to the commissioner for projects testing innovative approaches  
1.8 to improving outcomes for MFIP participants, and persons at risk of receiving MFIP  
1.9 as detailed in subdivision 3, and for providing incentives to counties and tribes that  
1.10 exceed performance. Projects shall be targeted to geographic areas with poor outcomes  
1.11 as specified in section 256J.751, subdivision 5, or to subgroups within the MFIP case  
1.12 load who are experiencing poor outcomes. For purposes of an incentive, a county or  
1.13 tribe exceeds performance if the county or tribe is above the top of the county or tribe's  
1.14 annualized range of expected performance on the three-year self-support index under  
1.15 section 256J.751, subdivision 2, clause (7), and achieve a 50 percent MFIP participation  
1.16 rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly  
1.17 measurements for the most recent year for which the measurements are available.

1.18 Sec. 16. Minnesota Statutes 2005 Supplement, section 256J.626, subdivision 6,  
1.19 is amended to read:

1.20 Subd. 6. **Base allocation to counties and tribes; definitions.** (a) For purposes of  
1.21 this section, the following terms have the meanings given.

1.22 (1) "2002 historic spending base" means the commissioner's determination of  
1.23 the sum of the reimbursement related to fiscal year 2002 of county or tribal agency  
1.24 expenditures for the base programs listed in clause (6), items (i) through (iv), and earnings  
1.25 related to calendar year 2002 in the base program listed in clause (6), item (v), and the  
1.26 amount of spending in fiscal year 2002 in the base program listed in clause (6), item (vi),  
1.27 issued to or on behalf of persons residing in the county or tribal service delivery area.

1.28 (2) "Adjusted caseload factor" means a factor weighted:

1.29 (i) 47 percent on the MFIP cases in each county at four points in time in the most  
1.30 recent 12-month period for which data is available multiplied by the county's caseload  
1.31 difficulty factor; and

1.32 (ii) 53 percent on the count of adults on MFIP in each county and tribe at four points  
1.33 in time in the most recent 12-month period for which data is available multiplied by the  
1.34 county or tribe's caseload difficulty factor.

2.1 (3) "Caseload difficulty factor" means a factor determined by the commissioner for  
2.2 each county and tribe based upon the self-support index described in section 256J.751,  
2.3 subdivision 2, clause (7).

2.4 (4) "Initial allocation" means the amount potentially available to each county or tribe  
2.5 based on the formula in paragraphs (b) through (h).

2.6 (5) "Final allocation" means the amount available to each county or tribe based on  
2.7 the formula in paragraphs (b) through (h), ~~after adjustment by subdivision 7.~~

2.8 (6) "Base programs" means the:

2.9 (i) MFIP employment and training services under Minnesota Statutes 2002, section  
2.10 256J.62, subdivision 1, in effect June 30, 2002;

2.11 (ii) bilingual employment and training services to refugees under Minnesota Statutes  
2.12 2002, section 256J.62, subdivision 6, in effect June 30, 2002;

2.13 (iii) work literacy language programs under Minnesota Statutes 2002, section  
2.14 256J.62, subdivision 7, in effect June 30, 2002;

2.15 (iv) supported work program authorized in Laws 2001, First Special Session chapter  
2.16 9, article 17, section 2, in effect June 30, 2002;

2.17 (v) administrative aid program under section 256J.76 in effect December 31, 2002;

2.18 and

2.19 (vi) emergency assistance program under Minnesota Statutes 2002, section 256J.48,  
2.20 in effect June 30, 2002.

2.21 (b) The commissioner shall:

2.22 (1) beginning July 1, 2003, determine the initial allocation of funds available under  
2.23 this section according to clause (2);

2.24 (2) allocate all of the funds available for the period beginning July 1, 2003, and  
2.25 ending December 31, 2004, to each county or tribe in proportion to the county's or tribe's  
2.26 share of the statewide 2002 historic spending base;

2.27 (3) determine for calendar year 2005 the initial allocation of funds to be made  
2.28 available under this section in proportion to the county or tribe's initial allocation for the  
2.29 period of July 1, 2003, to December 31, 2004;

2.30 (4) determine for calendar year 2006 the initial allocation of funds to be made  
2.31 available under this section based 90 percent on the proportion of the county or tribe's  
2.32 share of the statewide 2002 historic spending base and ten percent on the proportion of  
2.33 the county or tribe's share of the adjusted caseload factor;

2.34 (5) determine for calendar year 2007 the initial allocation of funds to be made  
2.35 available under this section based 70 percent on the proportion of the county or tribe's

3.1 share of the statewide 2002 historic spending base and 30 percent on the proportion of the  
3.2 county or tribe's share of the adjusted caseload factor; and

3.3 (6) determine for calendar year 2008 and subsequent years the initial allocation of  
3.4 funds to be made available under this section based 50 percent on the proportion of the  
3.5 county or tribe's share of the statewide 2002 historic spending base and 50 percent on the  
3.6 proportion of the county or tribe's share of the adjusted caseload factor.

3.7 (c) With the commencement of a new or expanded tribal TANF program or an  
3.8 agreement under section 256.01, subdivision 2, paragraph (g), in which some or all of  
3.9 the responsibilities of particular counties under this section are transferred to a tribe,  
3.10 the commissioner shall:

3.11 (1) in the case where all responsibilities under this section are transferred to a tribal  
3.12 program, determine the percentage of the county's current caseload that is transferring to a  
3.13 tribal program and adjust the affected county's allocation accordingly; and

3.14 (2) in the case where a portion of the responsibilities under this section are  
3.15 transferred to a tribal program, the commissioner shall consult with the affected county or  
3.16 counties to determine an appropriate adjustment to the allocation.

3.17 ~~(d) Effective January 1, 2005, counties and tribes will have their final allocations~~  
3.18 ~~adjusted based on the performance provisions of subdivision 7.~~

3.19 Sec. 17. **REPEALER.**

3.20 Minnesota Statutes 2004, section 256J.626, subdivision 9, and Minnesota Statutes  
3.21 2005 Supplement, section 256J.626, subdivision 7, are repealed."

3.22 Amend the title accordingly

1.1 Senator ..... moves to amend S.F. No. 3103 as follows:

1 Page 14, after line 21, insert:

1.3 "Sec. 15. Minnesota Statutes 2004, section 256J.626, subdivision 5, is amended to  
1.4 read:

1.5 Subd. 5. **Innovation projects.** Beginning January 1, 2005, no more than \$3,000,000  
1.6 of the funds annually appropriated to the commissioner for use in the consolidated  
1.7 fund shall be available to the commissioner for projects testing innovative approaches  
1.8 to improving outcomes for MFIP participants, and persons at risk of receiving MFIP  
1.9 as detailed in subdivision 3, and for providing incentives to counties and tribes that  
1.10 exceed performance. Projects shall be targeted to geographic areas with poor outcomes  
1.11 as specified in section 256J.751, subdivision 5, or to subgroups within the MFIP case  
1.12 load who are experiencing poor outcomes. For purposes of an incentive, a county or  
1.13 tribe exceeds performance if the county or tribe is above the top of the county or tribe's  
1.14 annualized range of expected performance on the three-year self-support index under  
1.15 section 256J.751, subdivision 2, clause (7), and achieve a 50 percent MFIP participation  
1.16 rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly  
1.17 measurements for the most recent year for which the measurements are available.

1.18 Sec. 16. Minnesota Statutes 2005 Supplement, section 256J.626, subdivision 6,  
1.19 is amended to read:

1.20 Subd. 6. **Base allocation to counties and tribes; definitions.** (a) For purposes of  
1.21 this section, the following terms have the meanings given.

1.22 (1) "2002 historic spending base" means the commissioner's determination of  
1.23 the sum of the reimbursement related to fiscal year 2002 of county or tribal agency  
1.24 expenditures for the base programs listed in clause (6), items (i) through (iv), and earnings  
1.25 related to calendar year 2002 in the base program listed in clause (6), item (v), and the  
1.26 amount of spending in fiscal year 2002 in the base program listed in clause (6), item (vi),  
1.27 issued to or on behalf of persons residing in the county or tribal service delivery area.

1.28 (2) "Adjusted caseload factor" means a factor weighted:

1.29 (i) 47 percent on the MFIP cases in each county at four points in time in the most  
1.30 recent 12-month period for which data is available multiplied by the county's caseload  
1.31 difficulty factor; and

1.32 (ii) 53 percent on the count of adults on MFIP in each county and tribe at four points  
1.33 in time in the most recent 12-month period for which data is available multiplied by the  
1.34 county or tribe's caseload difficulty factor.

2.1 (3) "Caseload difficulty factor" means a factor determined by the commissioner for  
 2.2 each county and tribe based upon the self-support index described in section 256J.751,  
 2.3 subdivision 2, clause (7).

2.4 (4) "Initial allocation" means the amount potentially available to each county or tribe  
 2.5 based on the formula in paragraphs (b) through (h).

2.6 (5) "Final allocation" means the amount available to each county or tribe based on  
 2.7 the formula in paragraphs (b) through (h), ~~after adjustment by subdivision 7.~~

2.8 (6) "Base programs" means the:

2.9 (i) MFIP employment and training services under Minnesota Statutes 2002, section  
 2.10 256J.62, subdivision 1, in effect June 30, 2002;

2.11 (ii) bilingual employment and training services to refugees under Minnesota Statutes  
 2.12 2002, section 256J.62, subdivision 6, in effect June 30, 2002;

2.13 (iii) work literacy language programs under Minnesota Statutes 2002, section  
 2.14 256J.62, subdivision 7, in effect June 30, 2002;

2.15 (iv) supported work program authorized in Laws 2001, First Special Session chapter  
 2.16 9, article 17, section 2, in effect June 30, 2002;

2.17 (v) administrative aid program under section 256J.76 in effect December 31, 2002;

2.18 and

2.19 (vi) emergency assistance program under Minnesota Statutes 2002, section 256J.48,  
 2.20 in effect June 30, 2002.

2.21 (b) The commissioner shall:

2.22 (1) beginning July 1, 2003, determine the initial allocation of funds available under  
 2.23 this section according to clause (2);

2.24 (2) allocate all of the funds available for the period beginning July 1, 2003, and  
 2.25 ending December 31, 2004, to each county or tribe in proportion to the county's or tribe's  
 2.26 share of the statewide 2002 historic spending base;

2.27 (3) determine for calendar year 2005 the initial allocation of funds to be made  
 2.28 available under this section in proportion to the county or tribe's initial allocation for the  
 2.29 period of July 1, 2003, to December 31, 2004;

2.30 (4) determine for calendar year 2006 the initial allocation of funds to be made  
 2.31 available under this section based 90 percent on the proportion of the county or tribe's  
 2.32 share of the statewide 2002 historic spending base and ten percent on the proportion of  
 2.33 the county or tribe's share of the adjusted caseload factor;

2.34 (5) determine for calendar year 2007 the initial allocation of funds to be made  
 2.35 available under this section based 70 percent on the proportion of the county or tribe's

3.1 share of the statewide 2002 historic spending base and 30 percent on the proportion of the  
3.2 county or tribe's share of the adjusted caseload factor; and

3.3 (6) determine for calendar year 2008 and subsequent years the initial allocation of  
3.4 funds to be made available under this section based 50 percent on the proportion of the  
3.5 county or tribe's share of the statewide 2002 historic spending base and 50 percent on the  
3.6 proportion of the county or tribe's share of the adjusted caseload factor.

3.7 (c) With the commencement of a new or expanded tribal TANF program or an  
3.8 agreement under section 256.01, subdivision 2, paragraph (g), in which some or all of  
3.9 the responsibilities of particular counties under this section are transferred to a tribe,  
3.10 the commissioner shall:

3.11 (1) in the case where all responsibilities under this section are transferred to a tribal  
3.12 program, determine the percentage of the county's current caseload that is transferring to a  
3.13 tribal program and adjust the affected county's allocation accordingly; and

3.14 (2) in the case where a portion of the responsibilities under this section are  
3.15 transferred to a tribal program, the commissioner shall consult with the affected county or  
3.16 counties to determine an appropriate adjustment to the allocation.

3.17 ~~(d) Effective January 1, 2005, counties and tribes will have their final allocations~~  
3.18 ~~adjusted based on the performance provisions of subdivision 7.~~

3.19 **Sec. 17. REPEALER.**

3.20 Minnesota Statutes 2004, section 256J.626, subdivision 9, and Minnesota Statutes  
3.21 2005 Supplement, section 256J.626, subdivision 7, are repealed."

3.22 Amend the title accordingly

ATTACHMENT "D"

03/29/06

COUNSEL

JW/MM

SCS3103A-3

Senator ..... moves to amend S.F. No. 3103 as follows:

Page 2, after line 11, insert:

"Sec. 3. Minnesota Statutes 2004, section 256J.01, is amended by adding a subdivision to read:

Subd. 6. **Legislative approval to move programs or activities.** The commissioner shall not move programs or activities funded with MFIP or TANF maintenance of effort funds to other funding sources without legislative approval."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly