

166.20 **ARTICLE 5**166.21 **SIMPLIFICATION OF PUBLIC ASSISTANCE PROGRAMS**

166.22 Section 1. Minnesota Statutes 2014, section 119B.011, subdivision 15, is amended to
166.23 read:

166.24 Subd. 15. **Income.** "Income" means earned or unearned income received by all
166.25 family members, including as defined under section 256P.01, subdivision 3, unearned
166.26 income as defined under section 256P.01, subdivision 8, and public assistance cash benefits
166.27 and, including the Minnesota family investment program, diversionary work program,
166.28 work benefit, Minnesota supplemental aid, general assistance, refugee cash assistance,
166.29 at-home infant child care subsidy payments, unless specifically excluded and child support
166.30 and maintenance distributed to the family under section 256.741, subdivision 15. The
166.31 following are excluded deducted from income: funds used to pay for health insurance
166.32 premiums for family members, Supplemental Security Income, scholarships, work-study
166.33 income, and grants that cover costs or reimbursement for tuition, fees, books, and
166.34 educational supplies; student loans for tuition, fees, books, supplies, and living expenses;
167.1 state and federal earned income tax credits; assistance specifically excluded as income by
167.2 law; in-kind income such as food support, energy assistance, foster care assistance, medical
167.3 assistance, child care assistance, and housing subsidies; earned income of full-time or
167.4 part-time students up to the age of 19, who have not earned a high school diploma or GED
167.5 high school equivalency diploma including earnings from summer employment; grant
167.6 awards under the family subsidy program; nonrecurring lump-sum income only to the
167.7 extent that it is earmarked and used for the purpose for which it is paid; and any income
167.8 assigned to the public authority according to section 256.741 and child or spousal support
167.9 paid to or on behalf of a person or persons who live outside of the household. Income
167.10 sources not included in this subdivision and section 256P.06, subdivision 3, are not counted.

167.11 Sec. 2. Minnesota Statutes 2014, section 119B.025, subdivision 1, is amended to read:

167.12 Subdivision 1. **Factors which must be verified.** (a) The county shall verify the
167.13 following at all initial child care applications using the universal application:

167.14 (1) identity of adults;

167.15 (2) presence of the minor child in the home, if questionable;

167.16 (3) relationship of minor child to the parent, stepparent, legal guardian, eligible
167.17 relative caretaker, or the spouses of any of the foregoing;

167.18 (4) age;

167.19 (5) immigration status, if related to eligibility;

167.20 (6) Social Security number, if given;

167.21 (7) income;

364.28 **ARTICLE 12**364.29 **PUBLIC ASSISTANCE SIMPLIFICATION**

364.30 Section 1. Minnesota Statutes 2014, section 119B.011, subdivision 15, is amended to
364.31 read:

365.1 Subd. 15. **Income.** "Income" means earned or unearned income received by all
365.2 family members, including as defined under section 256P.01, subdivision 3, unearned
365.3 income as defined under section 256P.01, subdivision 8, and public assistance cash benefits
365.4 and, including the Minnesota family investment program, diversionary work program,
365.5 work benefit, Minnesota supplemental aid, general assistance, refugee cash assistance,
365.6 at-home infant child care subsidy payments, unless specifically excluded and child support
365.7 and maintenance distributed to the family under section 256.741, subdivision 15. The
365.8 following are excluded deducted from income: funds used to pay for health insurance
365.9 premiums for family members, Supplemental Security Income, scholarships, work-study
365.10 income, and grants that cover costs or reimbursement for tuition, fees, books, and
365.11 educational supplies; student loans for tuition, fees, books, supplies, and living expenses;
365.12 state and federal earned income tax credits; assistance specifically excluded as income by
365.13 law; in-kind income such as food support, energy assistance, foster care assistance, medical
365.14 assistance, child care assistance, and housing subsidies; earned income of full-time or
365.15 part-time students up to the age of 19, who have not earned a high school diploma or GED
365.16 high school equivalency diploma including earnings from summer employment; grant
365.17 awards under the family subsidy program; nonrecurring lump-sum income only to the
365.18 extent that it is earmarked and used for the purpose for which it is paid; and any income
365.19 assigned to the public authority according to section 256.741 and child or spousal support
365.20 paid to or on behalf of a person or persons who live outside of the household. Income
365.21 sources not included in this subdivision and section 256P.06, subdivision 3, are not counted.

365.22 Sec. 2. Minnesota Statutes 2014, section 119B.025, subdivision 1, is amended to read:

365.23 Subdivision 1. **Factors which must be verified.** (a) The county shall verify the
365.24 following at all initial child care applications using the universal application:

365.25 (1) identity of adults;

365.26 (2) presence of the minor child in the home, if questionable;

365.27 (3) relationship of minor child to the parent, stepparent, legal guardian, eligible
365.28 relative caretaker, or the spouses of any of the foregoing;

365.29 (4) age;

365.30 (5) immigration status, if related to eligibility;

365.31 (6) Social Security number, if given;

365.32 (7) income;

167.22 (8) spousal support and child support payments made to persons outside the
167.23 household;

167.24 (9) residence; and

167.25 (10) inconsistent information, if related to eligibility.

167.26 (b) If a family did not use the universal application or child care addendum to apply
167.27 for child care assistance, the family must complete the universal application or child care
167.28 addendum at its next eligibility redetermination and the county must verify the factors
167.29 listed in paragraph (a) as part of that redetermination. Once a family has completed a
167.30 universal application or child care addendum, the county shall use the redetermination
167.31 form described in paragraph (c) for that family's subsequent redeterminations. Eligibility
167.32 must be redetermined at least every six months. A family is considered to have met the
167.33 eligibility redetermination requirement if a complete redetermination form and all required
167.34 verifications are received within 30 days after the date the form was due. Assistance shall
167.35 be payable retroactively from the redetermination due date. For a family where at least
168.1 one parent is under the age of 21, does not have a high school or general equivalency
168.2 diploma, and is a student in a school district or another similar program that provides or
168.3 arranges for child care, as well as parenting, social services, career and employment
168.4 supports, and academic support to achieve high school graduation, the redetermination of
168.5 eligibility shall be deferred beyond six months, but not to exceed 12 months, to the end of
168.6 the student's school year. If a family reports a change in an eligibility factor before the
168.7 family's next regularly scheduled redetermination, the county must recalculate eligibility
168.8 without requiring verification of any eligibility factor that did not change. Changes must
168.9 be reported as required by section 256P.07. A change in income occurs on the day the
168.10 participant received the first payment reflecting the change in income.

168.11 (c) The commissioner shall develop a redetermination form to redetermine eligibility
168.12 and a change report form to report changes that minimize paperwork for the county and
168.13 the participant.

168.14 Sec. 3. Minnesota Statutes 2014, section 119B.035, subdivision 4, is amended to read:

168.15 Subd. 4. **Assistance.** (a) A family is limited to a lifetime total of 12 months of
168.16 assistance under subdivision 2. The maximum rate of assistance is equal to 68 percent
168.17 of the rate established under section 119B.13 for care of infants in licensed family child
168.18 care in the applicant's county of residence.

168.19 (b) A participating family must report income and other family changes as specified in
168.20 sections 256P.06 and 256P.07, and the county's plan under section 119B.08, subdivision 3.

168.21 (c) Persons who are admitted to the at-home infant child care program retain their
168.22 position in any basic sliding fee program. Persons leaving the at-home infant child care
168.23 program reenter the basic sliding fee program at the position they would have occupied.

365.33 (8) spousal support and child support payments made to persons outside the
365.34 household;

365.35 (9) residence; and

366.1 (10) inconsistent information, if related to eligibility.

366.2 (b) If a family did not use the universal application or child care addendum to apply
366.3 for child care assistance, the family must complete the universal application or child care
366.4 addendum at its next eligibility redetermination and the county must verify the factors
366.5 listed in paragraph (a) as part of that redetermination. Once a family has completed a
366.6 universal application or child care addendum, the county shall use the redetermination
366.7 form described in paragraph (c) for that family's subsequent redeterminations. Eligibility
366.8 must be redetermined at least every six months. A family is considered to have met the
366.9 eligibility redetermination requirement if a complete redetermination form and all required
366.10 verifications are received within 30 days after the date the form was due. Assistance shall
366.11 be payable retroactively from the redetermination due date. For a family where at least
366.12 one parent is under the age of 21, does not have a high school or general equivalency
366.13 diploma, and is a student in a school district or another similar program that provides or
366.14 arranges for child care, as well as parenting, social services, career and employment
366.15 supports, and academic support to achieve high school graduation, the redetermination of
366.16 eligibility shall be deferred beyond six months, but not to exceed 12 months, to the end of
366.17 the student's school year. If a family reports a change in an eligibility factor before the
366.18 family's next regularly scheduled redetermination, the county must recalculate eligibility
366.19 without requiring verification of any eligibility factor that did not change. Changes must
366.20 be reported as required by section 256P.07. A change in income occurs on the day the
366.21 participant received the first payment reflecting the change in income.

366.22 (c) The commissioner shall develop a redetermination form to redetermine eligibility
366.23 and a change report form to report changes that minimize paperwork for the county and
366.24 the participant.

366.25 Sec. 3. Minnesota Statutes 2014, section 119B.035, subdivision 4, is amended to read:

366.26 Subd. 4. **Assistance.** (a) A family is limited to a lifetime total of 12 months of
366.27 assistance under subdivision 2. The maximum rate of assistance is equal to 68 percent
366.28 of the rate established under section 119B.13 for care of infants in licensed family child
366.29 care in the applicant's county of residence.

366.30 (b) A participating family must report income and other family changes as specified in
366.31 sections 256P.06 and 256P.07, and the county's plan under section 119B.08, subdivision 3.

366.32 (c) Persons who are admitted to the at-home infant child care program retain their
366.33 position in any basic sliding fee program. Persons leaving the at-home infant child care
366.34 program reenter the basic sliding fee program at the position they would have occupied.

168.24 (d) Assistance under this section does not establish an employer-employee
168.25 relationship between any member of the assisted family and the county or state.

168.26 Sec. 4. Minnesota Statutes 2014, section 119B.09, subdivision 4, is amended to read:

168.27 Subd. 4. **Eligibility; annual income; calculation.** Annual income of the applicant
168.28 family is the current monthly income of the family multiplied by 12 or the income for
168.29 the 12-month period immediately preceding the date of application, or income calculated
168.30 by the method which provides the most accurate assessment of income available to the
168.31 family. Self-employment income must be calculated based on gross receipts less operating
168.32 expenses. Income must be recalculated when the family's income changes, but no less
168.33 often than every six months. For a family where at least one parent is under the age of
168.34 21, does not have a high school or general equivalency diploma, and is a student in a
169.1 school district or another similar program that provides or arranges for child care, as well
169.2 as parenting, social services, career and employment supports, and academic support to
169.3 achieve high school graduation, income must be recalculated when the family's income
169.4 changes, but otherwise shall be deferred beyond six months, but not to exceed 12 months,
169.5 to the end of the student's school year. Included lump sums counted as income under
169.6 section 256P.06, subdivision 3, are to be annualized over 12 months. Income must be
169.7 verified with documentary evidence. If the applicant does not have sufficient evidence of
169.8 income, verification must be obtained from the source of the income.

169.9 Sec. 5. Minnesota Statutes 2014, section 256D.01, subdivision 1a, is amended to read:

169.10 Subd. 1a. **Standards.** (a) A principal objective in providing general assistance is
169.11 to provide for single adults, childless couples, or children as defined in section 256D.02,
169.12 subdivision 6, ineligible for federal programs who are unable to provide for themselves.
169.13 The minimum standard of assistance determines the total amount of the general assistance
169.14 grant without separate standards for shelter, utilities, or other needs.

169.15 (b) The commissioner shall set the standard of assistance for an assistance unit
169.16 consisting of an adult recipient who is childless and unmarried or living apart from
169.17 children and spouse and who does not live with a parent or parents or a legal custodian.
169.18 When the other standards specified in this subdivision increase, this standard must also be
169.19 increased by the same percentage.

367.1 (d) Assistance under this section does not establish an employer-employee
367.2 relationship between any member of the assisted family and the county or state.

367.3 Sec. 4. Minnesota Statutes 2014, section 119B.09, subdivision 4, is amended to read:

367.4 Subd. 4. **Eligibility; annual income; calculation.** Annual income of the applicant
367.5 family is the current monthly income of the family multiplied by 12 or the income for
367.6 the 12-month period immediately preceding the date of application, or income calculated
367.7 by the method which provides the most accurate assessment of income available to the
367.8 family. Self-employment income must be calculated based on gross receipts less operating
367.9 expenses. Income must be recalculated when the family's income changes, but no less
367.10 often than every six months. For a family where at least one parent is under the age of
367.11 21, does not have a high school or general equivalency diploma, and is a student in a
367.12 school district or another similar program that provides or arranges for child care, as well
367.13 as parenting, social services, career and employment supports, and academic support to
367.14 achieve high school graduation, income must be recalculated when the family's income
367.15 changes, but otherwise shall be deferred beyond six months, but not to exceed 12 months,
367.16 to the end of the student's school year. Included lump sums counted as income under
367.17 section 256P.06, subdivision 3, must be annualized over 12 months. Income must be
367.18 verified with documentary evidence. If the applicant does not have sufficient evidence of
367.19 income, verification must be obtained from the source of the income.

367.20 Sec. 5. Minnesota Statutes 2014, section 256D.01, subdivision 1a, is amended to read:

367.21 Subd. 1a. **Standards.** (a) A principal objective in providing general assistance is
367.22 to provide for single adults, childless couples, or children as defined in section 256D.02,
367.23 subdivision 6, ineligible for federal programs who are unable to provide for themselves.
367.24 The minimum standard of assistance determines the total amount of the general assistance
367.25 grant without separate standards for shelter, utilities, or other needs.

367.26 (b) The commissioner shall set the standard of assistance for an assistance unit
367.27 consisting of an adult recipient who is childless and unmarried or living apart from
367.28 children and spouse and who does not live with a parent or parents or a legal custodian.
367.29 When the other standards specified in this subdivision increase, this standard must also be
367.30 increased by the same percentage.

169.20 (c) For an assistance unit consisting of a single adult who lives with a parent or
 169.21 parents, the general assistance standard of assistance is the amount that the aid to families
 169.22 with dependent children standard of assistance, in effect on July 16, 1996, would increase
 169.23 if the recipient were added as an additional minor child to an assistance unit consisting
 169.24 of the recipient's parent and all of that parent's family members, except that the standard
 169.25 may not exceed the standard for a general assistance recipient living alone. Benefits
 169.26 received by a responsible relative of the assistance unit under the Supplemental Security
 169.27 Income program, a workers' compensation program, the Minnesota supplemental aid
 169.28 program, or any other program based on the responsible relative's disability, and any
 169.29 benefits received by a responsible relative of the assistance unit under the Social Security
 169.30 retirement program, may not be counted in the determination of eligibility or benefit
 169.31 level for the assistance unit. Except as provided below, the assistance unit is ineligible
 169.32 for general assistance if the available resources or the countable income of the assistance
 169.33 unit and the parent or parents with whom the assistance unit lives are such that a family
 169.34 consisting of the assistance unit's parent or parents, the parent or parents' other family
 169.35 members and the assistance unit as the only or additional minor child would be financially
 170.1 ineligible for general assistance. For the purposes of calculating the countable income
 170.2 of the assistance unit's parent or parents, the calculation methods, ~~income deductions,~~
 170.3 ~~exclusions, and disregards used when calculating the countable income for a single adult~~
 170.4 ~~or childless couple must be used~~ follow the provisions under section 256P.06.

170.5 (d) For an assistance unit consisting of a childless couple, the standards of assistance
 170.6 are the same as the first and second adult standards of the aid to families with dependent
 170.7 children program in effect on July 16, 1996. If one member of the couple is not included
 170.8 in the general assistance grant, the standard of assistance for the other is the second adult
 170.9 standard of the aid to families with dependent children program as of July 16, 1996.

170.10 Sec. 6. Minnesota Statutes 2014, section 256D.02, is amended by adding a subdivision
 170.11 to read:

170.12 Subd. 1a. **Assistance unit.** "Assistance unit" means an individual or an eligible
 170.13 married couple who live together who are applying for or receiving benefits under this
 170.14 chapter.

170.15 Sec. 7. Minnesota Statutes 2014, section 256D.02, is amended by adding a subdivision
 170.16 to read:

170.17 Subd. 1b. **Cash assistance benefit.** "Cash assistance benefit" means any payment
 170.18 received as a disability benefit, including veteran's or workers' compensation; old age,
 170.19 survivors, and disability insurance; railroad retirement benefits; unemployment benefits;
 170.20 and benefits under any federally aided categorical assistance program, Supplemental
 170.21 Security Income, or other assistance program.

170.22 Sec. 8. Minnesota Statutes 2014, section 256D.02, subdivision 8, is amended to read:

367.31 (c) For an assistance unit consisting of a single adult who lives with a parent or
 367.32 parents, the general assistance standard of assistance is the amount that the aid to families
 367.33 with dependent children standard of assistance, in effect on July 16, 1996, would increase
 367.34 if the recipient were added as an additional minor child to an assistance unit consisting
 368.1 of the recipient's parent and all of that parent's family members, except that the standard
 368.2 may not exceed the standard for a general assistance recipient living alone. Benefits
 368.3 received by a responsible relative of the assistance unit under the Supplemental Security
 368.4 Income program, a workers' compensation program, the Minnesota supplemental aid
 368.5 program, or any other program based on the responsible relative's disability, and any
 368.6 benefits received by a responsible relative of the assistance unit under the Social Security
 368.7 retirement program, may not be counted in the determination of eligibility or benefit
 368.8 level for the assistance unit. Except as provided below, the assistance unit is ineligible
 368.9 for general assistance if the available resources or the countable income of the assistance
 368.10 unit and the parent or parents with whom the assistance unit lives are such that a family
 368.11 consisting of the assistance unit's parent or parents, the parent or parents' other family
 368.12 members and the assistance unit as the only or additional minor child would be financially
 368.13 ineligible for general assistance. For the purposes of calculating the countable income
 368.14 of the assistance unit's parent or parents, the calculation methods, ~~income deductions,~~
 368.15 ~~exclusions, and disregards used when calculating the countable income for a single adult~~
 368.16 ~~or childless couple must be used~~ follow the provisions under section 256P.06.

368.17 (d) For an assistance unit consisting of a childless couple, the standards of assistance
 368.18 are the same as the first and second adult standards of the aid to families with dependent
 368.19 children program in effect on July 16, 1996. If one member of the couple is not included
 368.20 in the general assistance grant, the standard of assistance for the other is the second adult
 368.21 standard of the aid to families with dependent children program as of July 16, 1996.

368.22 Sec. 6. Minnesota Statutes 2014, section 256D.02, is amended by adding a subdivision
 368.23 to read:

368.24 Subd. 1a. **Assistance unit.** "Assistance unit" means an individual who is, or an
 368.25 eligible married couple who live together who are, applying for or receiving benefits
 368.26 under this chapter.

368.27 Sec. 7. Minnesota Statutes 2014, section 256D.02, is amended by adding a subdivision
 368.28 to read:

368.29 Subd. 1b. **Cash assistance benefit.** "Cash assistance benefit" means any payment
 368.30 received as a disability benefit, including veterans or workers' compensation; old age,
 368.31 survivors, and disability insurance; railroad retirement benefits; unemployment benefits;
 368.32 and benefits under any federally aided categorical assistance program, Supplemental
 368.33 Security Income, or other assistance program.

369.1 Sec. 8. Minnesota Statutes 2014, section 256D.02, subdivision 8, is amended to read:

170.23 Subd. 8. **Income.** "Income" means any form of income, including remuneration
 170.24 for services performed as an employee and earned income from rental income and
 170.25 self-employment earnings as described under section 256P.05 earned income as defined
 170.26 under section 256P.01, subdivision 3, and unearned income as defined under section
 170.27 256P.01, subdivision 8.

170.28 ~~Income includes any payments received as an annuity, retirement, or disability~~
 170.29 ~~benefit, including veteran's or workers' compensation; old age, survivors, and disability~~
 170.30 ~~insurance; railroad retirement benefits; unemployment benefits; and benefits under any~~
 170.31 ~~federally aided categorical assistance program, supplementary security income, or other~~
 170.32 ~~assistance program; rents, dividends, interest and royalties; and support and maintenance~~
 170.33 ~~payments. Such payments may not be considered as available to meet the needs of any~~
 171.1 ~~person other than the person for whose benefit they are received, unless that person is~~
 171.2 ~~a family member or a spouse and the income is not excluded under section 256D.01,~~
 171.3 ~~subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded~~
 171.4 ~~from the definition of income, except that payments made for room, board, tuition or~~
 171.5 ~~fees by a parent, on behalf of a child enrolled as a full-time student in a postsecondary~~
 171.6 ~~institution, and payments made on behalf of an applicant or participant which the applicant~~
 171.7 ~~or participant could legally demand to receive personally in cash, must be included as~~
 171.8 ~~income. Benefits of an applicant or participant, such as those administered by the Social~~
 171.9 ~~Security Administration, that are paid to a representative payee, and are spent on behalf of~~
 171.10 ~~the applicant or participant, are considered available income of the applicant or participant.~~

171.11 Sec. 9. Minnesota Statutes 2014, section 256D.06, subdivision 1, is amended to read:

171.12 Subdivision 1. **Eligibility; amount of assistance.** General assistance shall be
 171.13 granted in an amount that when added to the ~~nonexempt~~ countable income as determined
 171.14 to be actually available to the assistance unit under section 256P.06, the total amount
 171.15 equals the applicable standard of assistance for general assistance. In determining
 171.16 eligibility for and the amount of assistance for an individual or married couple, the agency
 171.17 shall apply the earned income disregard as determined in section 256P.03.

171.18 Sec. 10. Minnesota Statutes 2014, section 256D.405, subdivision 3, is amended to read:

171.19 Subd. 3. **Reports.** Participants must report changes in circumstances according to
 171.20 section 256P.07 that affect eligibility or assistance payment amounts within ten days of the
 171.21 change. Participants who do not receive SSI because of excess income must complete a
 171.22 monthly report form if they have earned income, if they have income deemed to them
 171.23 from a financially responsible relative with whom the participant resides, or if they have
 171.24 income deemed to them by a sponsor. If the report form is not received before the end of
 171.25 the month in which it is due, the county agency must terminate assistance. The termination
 171.26 shall be effective on the first day of the month following the month in which the report
 171.27 was due. If a complete report is received within the month the assistance was terminated,
 171.28 the assistance unit is considered to have continued its application for assistance, effective
 171.29 the first day of the month the assistance was terminated.

369.2 Subd. 8. **Income.** "Income" means any form of income, including remuneration
 369.3 for services performed as an employee and earned income from rental income and
 369.4 self-employment earnings as described under section 256P.05 earned income as defined
 369.5 under section 256P.01, subdivision 3, and unearned income as defined under section
 369.6 256P.01, subdivision 8.

369.7 ~~Income includes any payments received as an annuity, retirement, or disability~~
 369.8 ~~benefit, including veteran's or workers' compensation; old age, survivors, and disability~~
 369.9 ~~insurance; railroad retirement benefits; unemployment benefits; and benefits under any~~
 369.10 ~~federally aided categorical assistance program, supplementary security income, or other~~
 369.11 ~~assistance program; rents, dividends, interest and royalties; and support and maintenance~~
 369.12 ~~payments. Such payments may not be considered as available to meet the needs of any~~
 369.13 ~~person other than the person for whose benefit they are received, unless that person is~~
 369.14 ~~a family member or a spouse and the income is not excluded under section 256D.01,~~
 369.15 ~~subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded~~
 369.16 ~~from the definition of income, except that payments made for room, board, tuition or~~
 369.17 ~~fees by a parent, on behalf of a child enrolled as a full-time student in a postsecondary~~
 369.18 ~~institution, and payments made on behalf of an applicant or participant which the applicant~~
 369.19 ~~or participant could legally demand to receive personally in cash, must be included as~~
 369.20 ~~income. Benefits of an applicant or participant, such as those administered by the Social~~
 369.21 ~~Security Administration, that are paid to a representative payee, and are spent on behalf of~~
 369.22 ~~the applicant or participant, are considered available income of the applicant or participant.~~

369.23 Sec. 9. Minnesota Statutes 2014, section 256D.06, subdivision 1, is amended to read:

369.24 Subdivision 1. **Eligibility; amount of assistance.** General assistance shall be
 369.25 granted in an amount that when added to the ~~nonexempt~~ countable income as determined
 369.26 to be actually available to the assistance unit under section 256P.06, the total amount
 369.27 equals the applicable standard of assistance for general assistance. In determining
 369.28 eligibility for and the amount of assistance for an individual or married couple, the agency
 369.29 shall apply the earned income disregard as determined in section 256P.03.

369.30 Sec. 10. Minnesota Statutes 2014, section 256D.405, subdivision 3, is amended to read:

369.31 Subd. 3. **Reports.** Participants must report changes in circumstances according to
 369.32 section 256P.07 that affect eligibility or assistance payment amounts within ten days of the
 369.33 change. Participants who do not receive SSI because of excess income must complete a
 369.34 monthly report form if they have earned income, if they have income deemed to them
 370.1 from a financially responsible relative with whom the participant resides, or if they have
 370.2 income deemed to them by a sponsor. If the report form is not received before the end of
 370.3 the month in which it is due, the county agency must terminate assistance. The termination
 370.4 shall be effective on the first day of the month following the month in which the report
 370.5 was due. If a complete report is received within the month the assistance was terminated,
 370.6 the assistance unit is considered to have continued its application for assistance, effective
 370.7 the first day of the month the assistance was terminated.

171.30 Sec. 11. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision 171.31 to read:

171.32 Subd. 1b. **Assistance unit.** "Assistance unit" means an individual who is applying

171.33 for or receiving benefits under this chapter.

172.1 Sec. 12. Minnesota Statutes 2014, section 256I.03, subdivision 7, is amended to read:

172.2 Subd. 7. **Countable income.** "Countable income" means all income received by an
172.3 applicant or recipient as described under section 256P.06, less any applicable exclusions
172.4 or disregards. For a recipient of any cash benefit from the SSI program, countable income
172.5 means the SSI benefit limit in effect at the time the person is in a GRH, less the medical
172.6 assistance personal needs allowance. If the SSI limit has been reduced for a person due to
172.7 events occurring prior to the persons entering the GRH setting, countable income means
172.8 actual income less any applicable exclusions and disregards.

172.9 Sec. 13. Minnesota Statutes 2014, section 256I.04, subdivision 1, is amended to read:

172.10 Subdivision 1. **Individual eligibility requirements.** An individual is eligible for
172.11 and entitled to a group residential housing payment to be made on the individual's behalf
172.12 if the agency has approved the individual's residence in a group residential housing setting
172.13 and the individual meets the requirements in paragraph (a) or (b).

172.14 (a) The individual is aged, blind, or is over 18 years of age and disabled as
172.15 determined under the criteria used by the title II program of the Social Security Act, and
172.16 meets the resource restrictions and standards of section 256P.02, and the individual's
172.17 countable income after deducting the (1) exclusions and disregards of the SSI program,
172.18 (2) the medical assistance personal needs allowance under section 256B.35, and (3) an
172.19 amount equal to the income actually made available to a community spouse by an elderly
172.20 waiver participant under the provisions of sections 256B.0575, paragraph (a), clause
172.21 (4), and 256B.058, subdivision 2, is less than the monthly rate specified in the agency's
172.22 agreement with the provider of group residential housing in which the individual resides.

172.23 (b) The individual meets a category of eligibility under section 256D.05, subdivision
172.24 1, paragraph (a), and the individual's resources are less than the standards specified by
172.25 section 256P.02, and the individual's countable income as determined under ~~sections~~
172.26 ~~256D.01 to 256D.21~~ section 256P.06, less the medical assistance personal needs allowance
172.27 under section 256B.35 is less than the monthly rate specified in the agency's agreement
172.28 with the provider of group residential housing in which the individual resides.

172.29 Sec. 14. Minnesota Statutes 2014, section 256I.06, subdivision 6, is amended to read:

370.8 Sec. 11. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision 370.9 to read:

370.10 Subd. 1b. **Assistance unit.** "Assistance unit" means an individual who is applying

370.11 for or receiving benefits under this chapter.

370.12 Sec. 12. Minnesota Statutes 2014, section 256I.03, subdivision 7, is amended to read:

370.13 Subd. 7. **Countable income.** "Countable income" means all income received by an
370.14 applicant or recipient as described under section 256P.06, less any applicable exclusions
370.15 or disregards. For a recipient of any cash benefit from the SSI program, countable income
370.16 means the SSI benefit limit in effect at the time the person is in a GRH, less the medical
370.17 assistance personal needs allowance. If the SSI limit has been reduced for a person due to
370.18 events occurring prior to the persons entering the GRH setting, countable income means
370.19 actual income less any applicable exclusions and disregards.

370.20 Sec. 13. Minnesota Statutes 2014, section 256I.04, subdivision 1, is amended to read:

370.21 Subdivision 1. **Individual eligibility requirements.** An individual is eligible for
370.22 and entitled to a group residential housing payment to be made on the individual's behalf
370.23 if the agency has approved the individual's residence in a group residential housing setting
370.24 and the individual meets the requirements in paragraph (a) or (b).

370.25 (a) The individual is aged, blind, or is over 18 years of age and disabled as
370.26 determined under the criteria used by the title II program of the Social Security Act, and
370.27 meets the resource restrictions and standards of section 256P.02, and the individual's
370.28 countable income after deducting the (1) exclusions and disregards of the SSI program,
370.29 (2) the medical assistance personal needs allowance under section 256B.35, and (3) an
370.30 amount equal to the income actually made available to a community spouse by an elderly
370.31 waiver participant under the provisions of sections 256B.0575, paragraph (a), clause
370.32 (4), and 256B.058, subdivision 2, is less than the monthly rate specified in the agency's
370.33 agreement with the provider of group residential housing in which the individual resides.

371.1 (b) The individual meets a category of eligibility under section 256D.05, subdivision
371.2 1, paragraph (a), and the individual's resources are less than the standards specified by
371.3 section 256P.02, and the individual's countable income as determined under ~~sections~~
371.4 ~~256D.01 to 256D.21~~ section 256P.06, less the medical assistance personal needs allowance
371.5 under section 256B.35 is less than the monthly rate specified in the agency's agreement
371.6 with the provider of group residential housing in which the individual resides.

371.7 Sec. 14. Minnesota Statutes 2014, section 256I.06, subdivision 6, is amended to read:

172.30 Subd. 6. **Reports.** Recipients must report changes in circumstances according
 172.31 to section 256P.07 that affect eligibility or group residential housing payment amounts
 172.32 within ten days of the change. Recipients with countable earned income must complete
 172.33 a monthly household report form. If the report form is not received before the end of
 172.34 the month in which it is due, the county agency must terminate eligibility for group
 173.1 residential housing payments. The termination shall be effective on the first day of the
 173.2 month following the month in which the report was due. If a complete report is received
 173.3 within the month eligibility was terminated, the individual is considered to have continued
 173.4 an application for group residential housing payment effective the first day of the month
 173.5 the eligibility was terminated.

173.6 Sec. 15. Minnesota Statutes 2014, section 256J.08, subdivision 26, is amended to read:

173.7 Subd. 26. **Earned income.** "Earned income" means cash or in-kind income earned
 173.8 through the receipt of wages, salary, commissions, profit from employment activities, net
 173.9 profit from self-employment activities, payments made by an employer for regularly
 173.10 accrued vacation or sick leave, and any other profit from activity earned through effort or
 173.11 labor. The income must be in return for, or as a result of, legal activity has the meaning
 173.12 given in section 256P.01, subdivision 3.

173.13 Sec. 16. Minnesota Statutes 2014, section 256J.08, subdivision 86, is amended to read:

173.14 Subd. 86. **Unearned income.** "Unearned income" means income received by
 173.15 a person that does not meet the definition of earned income. Unearned income includes
 173.16 income from a contract for deed, interest, dividends, unemployment benefits, disability
 173.17 insurance payments, veterans benefits, pension payments, return on capital investment,
 173.18 insurance payments or settlements, severance payments, child support and maintenance
 173.19 payments, and payments for illness or disability whether the premium payments are
 173.20 made in whole or in part by an employer or participant has the meaning given in section
 173.21 256P.01, subdivision 8.

173.22 Sec. 17. Minnesota Statutes 2014, section 256J.30, subdivision 1, is amended to read:

173.23 Subdivision 1. **Applicant reporting requirements.** An applicant must provide
 173.24 information on an application form and supplemental forms about the applicant's
 173.25 circumstances which affect MFIP eligibility or the assistance payment. An applicant must
 173.26 report changes identified in subdivision 9 while the application is pending. When an
 173.27 applicant does not accurately report information on an application, both an overpayment
 173.28 and a referral for a fraud investigation may result. When an applicant does not provide
 173.29 information or documentation, the receipt of the assistance payment may be delayed or the
 173.30 application may be denied depending on the type of information required and its effect on
 173.31 eligibility according to section 256P.07.

173.32 Sec. 18. Minnesota Statutes 2014, section 256J.30, subdivision 9, is amended to read:

371.8 Subd. 6. **Reports.** Recipients must report changes in circumstances according
 371.9 to section 256P.07 that affect eligibility or group residential housing payment amounts
 371.10 within ten days of the change. Recipients with countable earned income must complete
 371.11 a monthly household report form. If the report form is not received before the end of
 371.12 the month in which it is due, the county agency must terminate eligibility for group
 371.13 residential housing payments. The termination shall be effective on the first day of the
 371.14 month following the month in which the report was due. If a complete report is received
 371.15 within the month eligibility was terminated, the individual is considered to have continued
 371.16 an application for group residential housing payment effective the first day of the month
 371.17 the eligibility was terminated.

371.18 Sec. 15. Minnesota Statutes 2014, section 256J.08, subdivision 26, is amended to read:

371.19 Subd. 26. **Earned income.** "Earned income" means cash or in-kind income earned
 371.20 through the receipt of wages, salary, commissions, profit from employment activities, net
 371.21 profit from self-employment activities, payments made by an employer for regularly
 371.22 accrued vacation or sick leave, and any other profit from activity earned through effort or
 371.23 labor. The income must be in return for, or as a result of, legal activity has the meaning
 371.24 given in section 256P.01, subdivision 3.

371.25 Sec. 16. Minnesota Statutes 2014, section 256J.08, subdivision 86, is amended to read:

371.26 Subd. 86. **Unearned income.** "Unearned income" means income received by
 371.27 a person that does not meet the definition of earned income. Unearned income includes
 371.28 income from a contract for deed, interest, dividends, unemployment benefits, disability
 371.29 insurance payments, veterans benefits, pension payments, return on capital investment,
 371.30 insurance payments or settlements, severance payments, child support and maintenance
 371.31 payments, and payments for illness or disability whether the premium payments are
 371.32 made in whole or in part by an employer or participant has the meaning given in section
 371.33 256P.01, subdivision 8.

372.1 Sec. 17. Minnesota Statutes 2014, section 256J.30, subdivision 1, is amended to read:

372.2 Subdivision 1. **Applicant reporting requirements.** An applicant must provide
 372.3 information on an application form and supplemental forms about the applicant's
 372.4 circumstances which affect MFIP eligibility or the assistance payment. An applicant must
 372.5 report changes identified in subdivision 9 while the application is pending. When an
 372.6 applicant does not accurately report information on an application, both an overpayment
 372.7 and a referral for a fraud investigation may result. When an applicant does not provide
 372.8 information or documentation, the receipt of the assistance payment may be delayed or the
 372.9 application may be denied depending on the type of information required and its effect on
 372.10 eligibility according to section 256P.07.

372.11 Sec. 18. Minnesota Statutes 2014, section 256J.30, subdivision 9, is amended to read:

174.1 Subd. 9. **Changes that must be reported.** A caregiver must report the changes or
 174.2 anticipated changes specified in clauses (1) to (15) within ten days of the date they occur,
 174.3 at the time of the periodic recertification of eligibility under section 256P.04, subdivisions
 174.4 8 and 9, or within eight calendar days of a reporting period as in subdivision 5, whichever
 174.5 occurs first. A caregiver must report other changes at the time of the periodic recertification
 174.6 of eligibility under section 256P.04, subdivisions 8 and 9, or at the end of a reporting period
 174.7 under subdivision 5, as applicable. A caregiver must make these reports in writing to the
 174.8 agency. When an agency could have reduced or terminated assistance for one or more
 174.9 payment months if a delay in reporting a change specified under clauses (1) to (14) had
 174.10 not occurred, the agency must determine whether a timely notice under section 256J.31,
 174.11 subdivision 4, could have been issued on the day that the change occurred. When a timely
 174.12 notice could have been issued, each month's overpayment subsequent to that notice must be
 174.13 considered a client error overpayment under section 256J.38. Calculation of overpayments
 174.14 for late reporting under clause (15) is specified in section 256J.09, subdivision 9. Changes
 174.15 in circumstances which must be reported within ten days must also be reported on the
 174.16 MFIP household report form for the reporting period in which those changes occurred.
 174.17 Within ten days, a caregiver must report: changes as specified under section 256P.07.
 174.18 (1) a change in initial employment;
 174.19 (2) a change in initial receipt of unearned income;
 174.20 (3) a recurring change in unearned income;
 174.21 (4) a nonrecurring change of unearned income that exceeds \$30;
 174.22 (5) the receipt of a lump sum;
 174.23 (6) an increase in assets that may cause the assistance unit to exceed asset limits;
 174.24 (7) a change in the physical or mental status of an incapacitated member of the
 174.25 assistance unit if the physical or mental status is the basis for reducing the hourly
 174.26 participation requirements under section 256J.55, subdivision 1, or the type of activities
 174.27 included in an employment plan under section 256J.521, subdivision 2;
 174.28 (8) a change in employment status;
 174.29 (9) the marriage or divorce of an assistance unit member;
 174.30 (10) the death of a parent, minor child, or financially responsible person;
 174.31 (11) a change in address or living quarters of the assistance unit;
 174.32 (12) the sale, purchase, or other transfer of property;
 174.33 (13) a change in school attendance of a caregiver under age 20 or an employed child;
 174.34 (14) filing a lawsuit, a workers' compensation claim, or a monetary claim against a
 174.35 third party; and

372.12 Subd. 9. **Changes that must be reported.** A caregiver must report the changes or
 372.13 anticipated changes specified in clauses (1) to (15) within ten days of the date they occur,
 372.14 at the time of the periodic recertification of eligibility under section 256P.04, subdivisions
 372.15 8 and 9, or within eight calendar days of a reporting period as in subdivision 5, whichever
 372.16 occurs first. A caregiver must report other changes at the time of the periodic recertification
 372.17 of eligibility under section 256P.04, subdivisions 8 and 9, or at the end of a reporting period
 372.18 under subdivision 5, as applicable. A caregiver must make these reports in writing to the
 372.19 agency. When an agency could have reduced or terminated assistance for one or more
 372.20 payment months if a delay in reporting a change specified under clauses (1) to (14) had
 372.21 not occurred, the agency must determine whether a timely notice under section 256J.31,
 372.22 subdivision 4, could have been issued on the day that the change occurred. When a timely
 372.23 notice could have been issued, each month's overpayment subsequent to that notice must be
 372.24 considered a client error overpayment under section 256J.38. Calculation of overpayments
 372.25 for late reporting under clause (15) is specified in section 256J.09, subdivision 9. Changes
 372.26 in circumstances which must be reported within ten days must also be reported on the
 372.27 MFIP household report form for the reporting period in which those changes occurred.
 372.28 Within ten days, a caregiver must report: changes as specified under section 256P.07.
 372.29 (1) a change in initial employment;
 372.30 (2) a change in initial receipt of unearned income;
 372.31 (3) a recurring change in unearned income;
 372.32 (4) a nonrecurring change of unearned income that exceeds \$30;
 372.33 (5) the receipt of a lump sum;
 372.34 (6) an increase in assets that may cause the assistance unit to exceed asset limits;
 373.1 (7) a change in the physical or mental status of an incapacitated member of the
 373.2 assistance unit if the physical or mental status is the basis for reducing the hourly
 373.3 participation requirements under section 256J.55, subdivision 1, or the type of activities
 373.4 included in an employment plan under section 256J.521, subdivision 2;
 373.5 (8) a change in employment status;
 373.6 (9) the marriage or divorce of an assistance unit member;
 373.7 (10) the death of a parent, minor child, or financially responsible person;
 373.8 (11) a change in address or living quarters of the assistance unit;
 373.9 (12) the sale, purchase, or other transfer of property;
 373.10 (13) a change in school attendance of a caregiver under age 20 or an employed child;
 373.11 (14) filing a lawsuit, a workers' compensation claim, or a monetary claim against a
 373.12 third party; and

175.1 ~~(15) a change in household composition, including births, returns to and departures~~
 175.2 ~~from the home of assistance unit members and financially responsible persons, or a change~~
 175.3 ~~in the custody of a minor child.~~

175.4 Sec. 19. Minnesota Statutes 2014, section 256J.35, is amended to read:

175.5 **256J.35 AMOUNT OF ASSISTANCE PAYMENT.**

175.6 Except as provided in paragraphs (a) to (d), the amount of an assistance payment is
 175.7 equal to the difference between the MFIP standard of need or the Minnesota family wage
 175.8 level in section 256J.24 and countable income.

175.9 (a) Beginning July 1, 2015, MFIP assistance units are eligible for an MFIP housing
 175.10 assistance grant of \$110 per month, unless:

175.11 (1) the housing assistance unit is currently receiving public and assisted rental
 175.12 subsidies provided through the Department of Housing and Urban Development (HUD)
 175.13 and is subject to section 256J.37, subdivision 3a; or

175.14 (2) the assistance unit is a child-only case under section 256J.88.

175.15 (b) When MFIP eligibility exists for the month of application, the amount of the
 175.16 assistance payment for the month of application must be prorated from the date of
 175.17 application or the date all other eligibility factors are met for that applicant, whichever is
 175.18 later. This provision applies when an applicant loses at least one day of MFIP eligibility.

175.19 (c) MFIP overpayments to an assistance unit must be recouped according to section
 175.20 ~~256J.38, subdivision 4~~ 256P.08, subdivision 5.

175.21 (d) An initial assistance payment must not be made to an applicant who is not
 175.22 eligible on the date payment is made.

175.23 Sec. 20. Minnesota Statutes 2014, section 256J.40, is amended to read:

175.24 **256J.40 FAIR HEARINGS.**

175.25 Caregivers receiving a notice of intent to sanction or a notice of adverse action that
 175.26 includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or
 175.27 termination of benefits may request a fair hearing. A request for a fair hearing must be
 175.28 submitted in writing to the county agency or to the commissioner and must be mailed
 175.29 within 30 days after a participant or former participant receives written notice of the
 175.30 agency's action or within 90 days when a participant or former participant shows good
 175.31 cause for not submitting the request within 30 days. A former participant who receives a
 175.32 notice of adverse action due to an overpayment may appeal the adverse action according
 175.33 to the requirements in this section. Issues that may be appealed are:

175.34 (1) the amount of the assistance payment;

176.1 (2) a suspension, reduction, denial, or termination of assistance;

373.13 ~~(15) a change in household composition, including births, returns to and departures~~
 373.14 ~~from the home of assistance unit members and financially responsible persons, or a change~~
 373.15 ~~in the custody of a minor child.~~

373.16 Sec. 19. Minnesota Statutes 2014, section 256J.35, is amended to read:

373.17 **256J.35 AMOUNT OF ASSISTANCE PAYMENT.**

373.18 Except as provided in paragraphs (a) to (d), the amount of an assistance payment is
 373.19 equal to the difference between the MFIP standard of need or the Minnesota family wage
 373.20 level in section 256J.24 and countable income.

373.21 (a) Beginning July 1, 2015, MFIP assistance units are eligible for an MFIP housing
 373.22 assistance grant of \$110 per month, unless:

373.23 (1) the housing assistance unit is currently receiving public and assisted rental
 373.24 subsidies provided through the Department of Housing and Urban Development (HUD)
 373.25 and is subject to section 256J.37, subdivision 3a; or

373.26 (2) the assistance unit is a child-only case under section 256J.88.

373.27 (b) When MFIP eligibility exists for the month of application, the amount of the
 373.28 assistance payment for the month of application must be prorated from the date of
 373.29 application or the date all other eligibility factors are met for that applicant, whichever is
 373.30 later. This provision applies when an applicant loses at least one day of MFIP eligibility.

373.31 (c) MFIP overpayments to an assistance unit must be recouped according to section
 373.32 ~~256J.38, subdivision 4~~ 256P.08, subdivision 6.

373.33 (d) An initial assistance payment must not be made to an applicant who is not
 373.34 eligible on the date payment is made.

374.1 Sec. 20. Minnesota Statutes 2014, section 256J.40, is amended to read:

374.2 **256J.40 FAIR HEARINGS.**

374.3 Caregivers receiving a notice of intent to sanction or a notice of adverse action that
 374.4 includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or
 374.5 termination of benefits may request a fair hearing. A request for a fair hearing must be
 374.6 submitted in writing to the county agency or to the commissioner and must be mailed
 374.7 within 30 days after a participant or former participant receives written notice of the
 374.8 agency's action or within 90 days when a participant or former participant shows good
 374.9 cause for not submitting the request within 30 days. A former participant who receives a
 374.10 notice of adverse action due to an overpayment may appeal the adverse action according
 374.11 to the requirements in this section. Issues that may be appealed are:

374.12 (1) the amount of the assistance payment;

374.13 (2) a suspension, reduction, denial, or termination of assistance;

176.2 (3) the basis for an overpayment, the calculated amount of an overpayment, and
 176.3 the level of recoupment;

176.4 (4) the eligibility for an assistance payment; and

176.5 (5) the use of protective or vendor payments under section 256J.39, subdivision 2,
 176.6 clauses (1) to (3).

176.7 Except for benefits issued under section 256J.95, a county agency must not reduce,
 176.8 suspend, or terminate payment when an aggrieved participant requests a fair hearing
 176.9 prior to the effective date of the adverse action or within ten days of the mailing of the
 176.10 notice of adverse action, whichever is later, unless the participant requests in writing not
 176.11 to receive continued assistance pending a hearing decision. An appeal request cannot
 176.12 extend benefits for the diversionary work program under section 256J.95 beyond the
 176.13 four-month time limit. Assistance issued pending a fair hearing is subject to recovery
 176.14 under section ~~256J.38~~ 256P.08 when as a result of the fair hearing decision the participant
 176.15 is determined ineligible for assistance or the amount of the assistance received. A county
 176.16 agency may increase or reduce an assistance payment while an appeal is pending when the
 176.17 circumstances of the participant change and are not related to the issue on appeal. The
 176.18 commissioner's order is binding on a county agency. No additional notice is required to
 176.19 enforce the commissioner's order.

176.20 A county agency shall reimburse appellants for reasonable and necessary expenses
 176.21 of attendance at the hearing, such as child care and transportation costs and for the
 176.22 transportation expenses of the appellant's witnesses and representatives to and from the
 176.23 hearing. Reasonable and necessary expenses do not include legal fees. Fair hearings
 176.24 must be conducted at a reasonable time and date by an impartial human services judge
 176.25 employed by the department. The hearing may be conducted by telephone or at a site that
 176.26 is readily accessible to persons with disabilities.

176.27 The appellant may introduce new or additional evidence relevant to the issues on
 176.28 appeal. Recommendations of the human services judge and decisions of the commissioner
 176.29 must be based on evidence in the hearing record and are not limited to a review of the
 176.30 county agency action.

176.31 Sec. 21. Minnesota Statutes 2014, section 256J.95, subdivision 19, is amended to read:

176.32 Subd. 19. **DWP overpayments and underpayments.** DWP benefits are subject
 176.33 to overpayments and underpayments. Anytime an overpayment or an underpayment is
 176.34 determined for DWP, the correction shall be calculated using prospective budgeting.
 176.35 Corrections shall be determined based on the policy in section 256J.34, subdivision 1,
 177.1 paragraphs (a), (b), and (c). ATM errors must be recovered as specified in section ~~256J.38~~;
 177.2 ~~subdivision 5~~ 256P.08, subdivision 6. Cross program recoupment of overpayments cannot
 177.3 be assigned to or from DWP.

374.14 (3) the basis for an overpayment, the calculated amount of an overpayment, and
 374.15 the level of recoupment;

374.16 (4) the eligibility for an assistance payment; and

374.17 (5) the use of protective or vendor payments under section 256J.39, subdivision 2,
 374.18 clauses (1) to (3).

374.19 Except for benefits issued under section 256J.95, a county agency must not reduce,
 374.20 suspend, or terminate payment when an aggrieved participant requests a fair hearing
 374.21 prior to the effective date of the adverse action or within ten days of the mailing of the
 374.22 notice of adverse action, whichever is later, unless the participant requests in writing not
 374.23 to receive continued assistance pending a hearing decision. An appeal request cannot
 374.24 extend benefits for the diversionary work program under section 256J.95 beyond the
 374.25 four-month time limit. Assistance issued pending a fair hearing is subject to recovery
 374.26 under section ~~256J.38~~ 256P.08 when as a result of the fair hearing decision the participant
 374.27 is determined ineligible for assistance or the amount of the assistance received. A county
 374.28 agency may increase or reduce an assistance payment while an appeal is pending when the
 374.29 circumstances of the participant change and are not related to the issue on appeal. The
 374.30 commissioner's order is binding on a county agency. No additional notice is required to
 374.31 enforce the commissioner's order.

374.32 A county agency shall reimburse appellants for reasonable and necessary expenses
 374.33 of attendance at the hearing, such as child care and transportation costs and for the
 374.34 transportation expenses of the appellant's witnesses and representatives to and from the
 374.35 hearing. Reasonable and necessary expenses do not include legal fees. Fair hearings
 374.36 must be conducted at a reasonable time and date by an impartial human services judge
 375.1 employed by the department. The hearing may be conducted by telephone or at a site that
 375.2 is readily accessible to persons with disabilities.

375.3 The appellant may introduce new or additional evidence relevant to the issues on
 375.4 appeal. Recommendations of the human services judge and decisions of the commissioner
 375.5 must be based on evidence in the hearing record and are not limited to a review of the
 375.6 county agency action.

375.7 Sec. 21. Minnesota Statutes 2014, section 256J.95, subdivision 19, is amended to read:

375.8 Subd. 19. **DWP overpayments and underpayments.** DWP benefits are subject
 375.9 to overpayments and underpayments. Anytime an overpayment or an underpayment is
 375.10 determined for DWP, the correction shall be calculated using prospective budgeting.
 375.11 Corrections shall be determined based on the policy in section 256J.34, subdivision 1,
 375.12 paragraphs (a), (b), and (c). ATM errors must be recovered as specified in section ~~256J.38~~;
 375.13 ~~subdivision 5~~ 256P.08, subdivision 7. Cross program recoupment of overpayments cannot
 375.14 be assigned to or from DWP.

177.4 Sec. 22. Minnesota Statutes 2014, section 256P.001, is amended to read:

177.5 **256P.001 APPLICABILITY.**

177.6 General assistance and Minnesota supplemental aid under chapter 256D, child care
177.7 assistance programs under chapter 119B, and programs governed by chapter 256I or 256J
177.8 are subject to the requirements of this chapter, unless otherwise specified or exempted.

177.9 Sec. 23. Minnesota Statutes 2014, section 256P.01, is amended by adding a subdivision
177.10 to read:

177.11 Subd. 2a. **Assistance unit.** "Assistance unit" is defined by program area under
177.12 sections 119B.011, subdivision 13; 256D.02, subdivision 1a; 256D.35, subdivision 3a;
177.13 256I.03, subdivision 1b; and 256J.08, subdivision 7.

177.14 Sec. 24. Minnesota Statutes 2014, section 256P.01, subdivision 3, is amended to read:

177.15 Subd. 3. **Earned income.** "Earned income" means cash or in-kind income earned
177.16 through the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from
177.17 employment activities, net profit from self-employment activities, payments made by
177.18 an employer for regularly accrued vacation or sick leave, ~~and any severance pay based~~
177.19 on accrued leave time, payments from training programs at a rate at or greater than the
177.20 state's minimum wage, royalties, honoraria, or other profit from activity earned through
177.21 effort that results from the client's work, service, effort, or labor. The income must be in
177.22 return for, or as a result of, legal activity.

177.23 Sec. 25. Minnesota Statutes 2014, section 256P.01, is amended by adding a subdivision
177.24 to read:

177.25 Subd. 8. **Unearned income.** "Unearned income" has the meaning given in section
177.26 256P.06, subdivision 3, clause (2).

177.27 Sec. 26. Minnesota Statutes 2014, section 256P.02, is amended by adding a subdivision
177.28 to read:

177.29 Subd. 1a. **Exemption.** Participants who qualify for child care assistance programs
177.30 under chapter 119B are exempt from this section.

178.1 Sec. 27. Minnesota Statutes 2014, section 256P.03, subdivision 1, is amended to read:

178.2 Subdivision 1. **Exempted programs.** Participants who qualify for child care
178.3 assistance programs under chapter 119B, Minnesota supplemental aid under chapter
178.4 256D, and for group residential housing under chapter 256I on the basis of eligibility for
178.5 Supplemental Security Income are exempt from this section.

178.6 Sec. 28. Minnesota Statutes 2014, section 256P.04, subdivision 1, is amended to read:

375.15 Sec. 22. Minnesota Statutes 2014, section 256P.001, is amended to read:

375.16 **256P.001 APPLICABILITY.**

375.17 General assistance and Minnesota supplemental aid under chapter 256D, child care
375.18 assistance programs under chapter 119B, and programs governed by chapter 256I or 256J
375.19 are subject to the requirements of this chapter, unless otherwise specified or exempted.

375.20 Sec. 23. Minnesota Statutes 2014, section 256P.01, is amended by adding a subdivision
375.21 to read:

375.22 Subd. 2a. **Assistance unit.** "Assistance unit" is defined by program area under
375.23 sections 119B.011, subdivision 13; 256D.02, subdivision 1a; 256D.35, subdivision 3a;
375.24 256I.03, subdivision 1b; and 256J.08, subdivision 7.

375.25 Sec. 24. Minnesota Statutes 2014, section 256P.01, subdivision 3, is amended to read:

375.26 Subd. 3. **Earned income.** "Earned income" means cash or in-kind income earned
375.27 through the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from
375.28 employment activities, net profit from self-employment activities, payments made by
375.29 an employer for regularly accrued vacation or sick leave, ~~and any severance pay based~~
375.30 on accrued leave time, payments from training programs at a rate at or greater than the
375.31 state's minimum wage, royalties, honoraria, or other profit from activity earned through
376.1 effort that results from the client's work, service, effort, or labor. The income must be in
376.2 return for, or as a result of, legal activity.

376.3 Sec. 25. Minnesota Statutes 2014, section 256P.01, is amended by adding a subdivision
376.4 to read:

376.5 Subd. 8. **Unearned income.** "Unearned income" has the meaning given in section
376.6 256P.06, subdivision 3, clause (2).

376.7 Sec. 26. Minnesota Statutes 2014, section 256P.02, is amended by adding a subdivision
376.8 to read:

376.9 Subd. 1a. **Exemption.** Participants who qualify for child care assistance programs
376.10 under chapter 119B are exempt from this section.

376.11 Sec. 27. Minnesota Statutes 2014, section 256P.03, subdivision 1, is amended to read:

376.12 Subdivision 1. **Exempted programs.** Participants who qualify for child care
376.13 assistance programs under chapter 119B, Minnesota supplemental aid under chapter
376.14 256D, and for group residential housing under chapter 256I on the basis of eligibility for
376.15 Supplemental Security Income are exempt from this section.

376.16 Sec. 28. Minnesota Statutes 2014, section 256P.04, subdivision 1, is amended to read:

178.7 Subdivision 1. **Exemption.** Participants who receive Minnesota supplemental aid
 178.8 and who maintain Supplemental Security Income eligibility under chapters 256D and 256I
 178.9 are exempt from the reporting requirements of this section, except that the policies and
 178.10 procedures for transfers of assets are those used by the medical assistance program under
 178.11 section 256B.0595. Participants who receive child care assistance under chapter 119B are
 178.12 exempt from the requirements of this section.

178.13 Sec. 29. Minnesota Statutes 2014, section 256P.04, subdivision 4, is amended to read:

178.14 Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at
 178.15 application:

178.16 (1) identity of adults;

178.17 (2) age, if necessary to determine eligibility;

178.18 (3) immigration status;

178.19 (4) income;

178.20 (5) spousal support and child support payments made to persons outside the
 178.21 household;

178.22 (6) vehicles;

178.23 (7) checking and savings accounts;

178.24 (8) inconsistent information, if related to eligibility;

178.25 (9) residence; ~~and~~

178.26 (10) Social Security number; and

178.27 (11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2),

178.28 item (ix), for the intended purpose in which it was given and received.

178.29 (b) Applicants who are qualified noncitizens and victims of domestic violence as
 178.30 defined under section 256J.08, subdivision 73, clause (7), are not required to verify the
 178.31 information in paragraph (a), clause (10). When a Social Security number is not provided
 178.32 to the agency for verification, this requirement is satisfied when each member of the
 178.33 assistance unit cooperates with the procedures for verification of Social Security numbers,
 179.1 issuance of duplicate cards, and issuance of new numbers which have been established
 179.2 jointly between the Social Security Administration and the commissioner.

179.3 Sec. 30. Minnesota Statutes 2014, section 256P.05, subdivision 1, is amended to read:

179.4 Subdivision 1. **Exempted programs.** Participants who qualify for child care

179.5 assistance programs under chapter 119B, Minnesota supplemental aid under chapter

179.6 256D, and for group residential housing under chapter 256I on the basis of eligibility for

179.7 Supplemental Security Income are exempt from this section.

376.17 Subdivision 1. **Exemption.** Participants who receive Minnesota supplemental aid
 376.18 and who maintain Supplemental Security Income eligibility under chapters 256D and 256I
 376.19 are exempt from the reporting requirements of this section, except that the policies and
 376.20 procedures for transfers of assets are those used by the medical assistance program under
 376.21 section 256B.0595. Participants who receive child care assistance under chapter 119B are
 376.22 exempt from the requirements of this section.

376.23 Sec. 29. Minnesota Statutes 2014, section 256P.04, subdivision 4, is amended to read:

376.24 Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at
 376.25 application:

376.26 (1) identity of adults;

376.27 (2) age, if necessary to determine eligibility;

376.28 (3) immigration status;

376.29 (4) income;

376.30 (5) spousal support and child support payments made to persons outside the
 376.31 household;

377.1 (6) vehicles;

377.2 (7) checking and savings accounts;

377.3 (8) inconsistent information, if related to eligibility;

377.4 (9) residence; ~~and~~

377.5 (10) Social Security number; and

377.6 (11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2),

377.7 item (ix), for the intended purpose in which it was given and received.

377.8 (b) Applicants who are qualified noncitizens and victims of domestic violence as
 377.9 defined under section 256J.08, subdivision 73, clause (7), are not required to verify the
 377.10 information in paragraph (a), clause (10). When a Social Security number is not provided
 377.11 to the agency for verification, this requirement is satisfied when each member of the
 377.12 assistance unit cooperates with the procedures for verification of Social Security numbers,
 377.13 issuance of duplicate cards, and issuance of new numbers which have been established
 377.14 jointly between the Social Security Administration and the commissioner.

377.15 Sec. 30. Minnesota Statutes 2014, section 256P.05, subdivision 1, is amended to read:

377.16 Subdivision 1. **Exempted programs.** Participants who qualify for child care

377.17 assistance programs under chapter 119B, Minnesota supplemental aid under chapter

377.18 256D, and for group residential housing under chapter 256I on the basis of eligibility for

377.19 Supplemental Security Income are exempt from this section.

179.8 Sec. 31. **[256P.06] INCOME CALCULATIONS.**

- 179.9 Subdivision 1. **Reporting of income.** To determine eligibility, the county agency
 179.10 must evaluate income received by members of the assistance unit, or by other persons
 179.11 whose income is considered available to the assistance unit, and only count income that
 179.12 is available to the assistance unit. Income is available if the individual has legal access
 179.13 to the income.
- 179.14 Subd. 2. **Exempted individuals.** The following members of an assistance unit
 179.15 under chapters 119B and 256J are exempt from having their earned income count towards
 179.16 the income of an assistance unit:
- 179.17 (1) children under six years old;
- 179.18 (2) caregivers under 20 years of age enrolled at least half-time in school; and
- 179.19 (3) minors enrolled in school full time.
- 179.20 Subd. 3. **Income inclusions.** The following must be included in determining the
 179.21 income of an assistance unit:
- 179.22 (1) earned income; and
- 179.23 (2) unearned income, which includes:
- 179.24 (i) interest and dividends from investments and savings;
- 179.25 (ii) capital gains as defined by the Internal Revenue Service from any sale of real
 179.26 property;
- 179.27 (iii) proceeds from rent and contract for deed payments in excess of the principal
 179.28 and interest portion owed on property;
- 179.29 (iv) income from trusts, excluding special needs and supplemental needs trusts;
- 179.30 (v) interest income from loans made by the participant or household;
- 179.31 (vi) cash prizes and winnings;
- 179.32 (vii) unemployment insurance income;
- 179.33 (viii) retirement, survivors, and disability insurance payments;
- 180.1 (ix) nonrecurring income over \$60 per quarter unless earmarked and used for the
 180.2 purpose for which it is intended. Income and use of this income is subject to verification
 180.3 requirements under section 256P.04;
- 180.4 (x) retirement benefits;
- 180.5 (xi) cash assistance benefits, as defined by each program in chapters 119B, 256D,
 180.6 256I, and 256J;

377.20 Sec. 31. **[256P.06] INCOME CALCULATIONS.**

- 377.21 Subdivision 1. **Reporting of income.** To determine eligibility, the county agency
 377.22 must evaluate income received by members of the assistance unit, or by other persons
 377.23 whose income is considered available to the assistance unit, and only count income that
 377.24 is available to the assistance unit. Income is available if the individual has legal access
 377.25 to the income.
- 377.26 Subd. 2. **Exempted individuals.** The following members of an assistance unit
 377.27 under chapters 119B and 256J are exempt from having their earned income count towards
 377.28 the income of an assistance unit:
- 377.29 (1) children under six years old;
- 377.30 (2) caregivers under 20 years of age enrolled at least half time in school; and
- 377.31 (3) minors enrolled in school full time.
- 377.32 Subd. 3. **Income inclusions.** The following must be included in determining the
 377.33 income of an assistance unit:
- 377.34 (1) earned income; and
- 378.1 (2) unearned income, which includes:
- 378.2 (i) interest and dividends from investments and savings;
- 378.3 (ii) capital gains as defined by the Internal Revenue Service from any sale of real
 378.4 property;
- 378.5 (iii) proceeds from rent and contract for deed payments in excess of the principal
 378.6 and interest portion owed on property;
- 378.7 (iv) income from trusts, excluding special needs and supplemental needs trusts;
- 378.8 (v) interest income from loans made by the participant or household;
- 378.9 (vi) cash prizes and winnings;
- 378.10 (vii) unemployment insurance income;
- 378.11 (viii) retirement, survivors, and disability insurance payments;
- 378.12 (ix) nonrecurring income over \$60 per quarter unless earmarked and used for the
 378.13 purpose for which it is intended. Income and use of this income is subject to verification
 378.14 requirements under section 256P.04;
- 378.15 (x) retirement benefits;
- 378.16 (xi) cash assistance benefits, as defined by each program in chapters 119B, 256D,
 378.17 256I, and 256J;

180.7 (xii) tribal per capita payments unless excluded by federal and state law;

180.8 (xiii) income and payments from service and rehabilitation programs that meet
180.9 or exceed the state's minimum wage rate;

180.10 (xiv) income from members of the United States armed forces unless excluded from
180.11 income taxes according to federal or state law; and

180.12 (xv) child and spousal support.

180.13 Sec. 32. **[256P.07] REPORTING OF INCOME AND CHANGES.**

180.14 Subdivision 1. **Exempted programs.** Participants who qualify for Minnesota
180.15 supplemental aid under chapter 256D and for group residential housing under chapter 256I
180.16 on the basis of eligibility for Supplemental Security Income are exempt from this section.

180.17 Subd. 2. **Reporting requirements.** An applicant or participant must provide
180.18 information on an application and any subsequent reporting forms about the assistance
180.19 unit's circumstances that affect eligibility or benefits. An applicant or assistance unit must
180.20 report changes identified in subdivision 3. When information is not accurately reported,
180.21 both an overpayment and a referral for a fraud investigation may result. When information
180.22 or documentation is not provided, the receipt of any benefit may be delayed or denied,
180.23 depending on the type of information required and its effect on eligibility.

180.24 Subd. 3. **Changes that must be reported.** An assistance unit must report the
180.25 changes or anticipated changes specified in clauses (1) to (12) within ten days of the date
180.26 they occur, at the time of recertification of eligibility under section 256P.04, subdivisions
180.27 8 and 9, or within eight calendar days of a reporting period, whichever occurs first. An
180.28 assistance unit must report other changes at the time of recertification of eligibility under
180.29 section 256P.04, subdivisions 8 and 9, or at the end of a reporting period, as applicable.
180.30 When an agency could have reduced or terminated assistance for one or more payment
180.31 months if a delay in reporting a change specified under clauses (1) to (12) had not
180.32 occurred, the agency must determine whether a timely notice could have been issued
180.33 on the day that the change occurred. When a timely notice could have been issued,
180.34 each month's overpayment subsequent to that notice must be considered a client error
180.35 overpayment under section 119B.11, subdivision 2a; 256D.09, subdivision 6; 256D.49,
181.1 subdivision 3; 256J.38; or 256P.08. Changes in circumstances that must be reported within
181.2 ten days must also be reported for the reporting period in which those changes occurred.
181.3 Within ten days, an assistance unit must report a:

181.4 (1) change in earned income of \$100 per month or greater;

181.5 (2) change in unearned income of \$50 per month or greater;

181.6 (3) change in employment status and hours;

181.7 (4) change in address or residence;

378.18 (xii) tribal per capita payments unless excluded by federal and state law;

378.19 (xiii) income and payments from service and rehabilitation programs that meet
378.20 or exceed the state's minimum wage rate;

378.21 (xiv) income from members of the United States armed forces unless excluded from
378.22 income taxes according to federal or state law; and

378.23 (xv) child and spousal support.

378.24 Sec. 32. **[256P.07] REPORTING OF INCOME AND CHANGES.**

378.25 Subdivision 1. **Exempted programs.** Participants who qualify for Minnesota
378.26 supplemental aid under chapter 256D and for group residential housing under chapter 256I
378.27 on the basis of eligibility for Supplemental Security Income are exempt from this section.

378.28 Subd. 2. **Reporting requirements.** An applicant or participant must provide
378.29 information on an application and any subsequent reporting forms about the assistance
378.30 unit's circumstances that affect eligibility or benefits. An applicant or assistance unit must
378.31 report changes identified in subdivision 3. When information is not accurately reported,
378.32 both an overpayment and a referral for a fraud investigation may result. When information
378.33 or documentation is not provided, the receipt of any benefit may be delayed or denied,
378.34 depending on the type of information required and its effect on eligibility.

379.1 Subd. 3. **Changes that must be reported.** An assistance unit must report the
379.2 changes or anticipated changes specified in clauses (1) to (12) within ten days of the date
379.3 they occur, at the time of recertification of eligibility under section 256P.04, subdivisions
379.4 8 and 9, or within eight calendar days of a reporting period, whichever occurs first. An
379.5 assistance unit must report other changes at the time of recertification of eligibility under
379.6 section 256P.04, subdivisions 8 and 9, or at the end of a reporting period, as applicable.
379.7 When an agency could have reduced or terminated assistance for one or more payment
379.8 months if a delay in reporting a change specified under clauses (1) to (12) had not
379.9 occurred, the agency must determine whether a timely notice could have been issued
379.10 on the day that the change occurred. When a timely notice could have been issued,
379.11 each month's overpayment subsequent to that notice must be considered a client error
379.12 overpayment under section 119B.11, subdivision 2a; 256D.09, subdivision 6; 256D.49,
379.13 subdivision 3; 256J.38; or 256P.08. Changes in circumstances that must be reported within
379.14 ten days must also be reported for the reporting period in which those changes occurred.
379.15 Within ten days, an assistance unit must report a:

379.16 (1) change in earned income of \$100 per month or greater;

379.17 (2) change in unearned income of \$50 per month or greater;

379.18 (3) change in employment status and hours;

379.19 (4) change in address or residence;

181.8 (5) change in household composition with the exception of programs under chapter 181.9 256I;

181.10 (6) receipt of a lump-sum payment;

181.11 (7) increase in assets if over \$9,000 with the exception of programs under chapter 181.12 119B;

181.13 (8) change in citizenship or immigration status;

181.14 (9) change in family status with the exception of programs under chapter 256I;

181.15 (10) change in disability status of a unit member, with the exception of programs 181.16 under chapter 119B;

181.17 (11) new rent subsidy or a change in rent subsidy; and

181.18 (12) sale, purchase, or transfer of real property.

181.19 Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit 181.20 under chapter 256J, within ten days of the change, must report:

181.21 (1) a pregnancy not resulting in birth when there are no other minor children; and

181.22 (2) a change in school attendance of a parent under 20 years of age or of an 181.23 employed child.

181.24 Subd. 5. **DWP-specific reporting.** In addition to subdivisions 3 and 4, an assistance 181.25 unit participating in the diversionary work program under section 256J.95 must report 181.26 on an application:

181.27 (1) shelter expenses; and

181.28 (2) utility expenses.

181.29 Subd. 6. **Child care assistance programs-specific reporting.** In addition to 181.30 subdivision 3, an assistance unit under chapter 119B, within ten days of the change, must 181.31 report a:

181.32 (1) change in a parentally responsible individual's visitation schedule or custody 181.33 arrangement for any child receiving child care assistance program benefits; and

181.34 (2) change in authorized activity status.

182.1 Subd. 7. **MSA-specific reporting.** In addition to subdivision 3, an assistance 182.2 unit participating in the Minnesota supplemental aid program under section 256D.44, 182.3 subdivision 5, paragraph (f), within ten days of the change, must report shelter expenses.

182.4 Sec. 33. **[256P.08] CORRECTION OF OVERPAYMENTS AND 182.5 UNDERPAYMENTS.**

379.20 (5) change in household composition with the exception of programs under chapter 379.21 256I;

379.22 (6) receipt of a lump-sum payment;

379.23 (7) increase in assets if over \$9,000 with the exception of programs under chapter 379.24 119B;

379.25 (8) change in citizenship or immigration status;

379.26 (9) change in family status with the exception of programs under chapter 256I;

379.27 (10) change in disability status of a unit member, with the exception of programs 379.28 under chapter 119B;

379.29 (11) new rent subsidy or a change in rent subsidy; and

379.30 (12) sale, purchase, or transfer of real property.

379.31 Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit 379.32 under chapter 256J, within ten days of the change, must report:

379.33 (1) a pregnancy not resulting in birth when there are no other minor children; and

379.34 (2) a change in school attendance of a parent under 20 years of age or of an 379.35 employed child.

380.1 Subd. 5. **DWP-specific reporting.** In addition to subdivisions 3 and 4, an assistance 380.2 unit participating in the diversionary work program under section 256J.95 must report 380.3 on an application:

380.4 (1) shelter expenses; and

380.5 (2) utility expenses.

380.6 Subd. 6. **Child care assistance programs-specific reporting.** In addition to 380.7 subdivision 3, an assistance unit under chapter 119B, within ten days of the change, must 380.8 report a:

380.9 (1) change in a parentally responsible individual's visitation schedule or custody 380.10 arrangement for any child receiving child care assistance program benefits; and

380.11 (2) change in authorized activity status.

380.12 Subd. 7. **Minnesota supplemental aid-specific reporting.** In addition to 380.13 subdivision 3, an assistance unit participating in the Minnesota supplemental aid program 380.14 under section 256D.44, subdivision 5, paragraph (f), within ten days of the change, must 380.15 report shelter expenses.

380.16 Sec. 33. **[256P.08] CORRECTION OF OVERPAYMENTS AND 380.17 UNDERPAYMENTS.**

182.6 Subdivision 1. **Exempted programs.** Participants who qualify for child care
 182.7 assistance programs under chapter 119B and group residential housing under chapter
 182.8 256I are exempt from this section.

182.9 Subd. 2. **Scope of overpayment.** (a) When a participant or former participant
 182.10 receives an overpayment due to agency, client, or ATM error, or due to assistance received
 182.11 while an appeal is pending and the participant or former participant is determined
 182.12 ineligible for assistance or for less assistance than was received, except as provided for
 182.13 interim assistance in section 256D.06, subdivision 5, the county agency must recoup or
 182.14 recover the overpayment using the following methods:

182.15 (1) reconstruct each affected budget month and corresponding payment month;
 182.16 (2) use the policies and procedures that were in effect for the payment month; and
 182.17 (3) do not allow employment disregards in the calculation of the overpayment when
 182.18 the unit has not reported within two calendar months following the end of the month in
 182.19 which the income was received.

182.20 (b) Establishment of an overpayment is limited to 12 months prior to the month of
 182.21 discovery due to agency error. Establishment of an overpayment is limited to six years
 182.22 prior to the month of discovery due to client error or an intentional program violation
 182.23 determined under section 256.046.

182.24 Subd. 3. **Notice of overpayment.** When a county agency discovers that a participant
 182.25 or former participant has received an overpayment for one or more months, the county
 182.26 agency must notify the participant or former participant of the overpayment in writing.
 182.27 A notice of overpayment must specify the reason for the overpayment, the authority for
 182.28 citing the overpayment, the time period in which the overpayment occurred, the amount of
 182.29 the overpayment, and the participant's or former participant's right to appeal. No limit
 182.30 applies to the period in which the county agency is required to recoup or recover an
 182.31 overpayment according to subdivisions 4 and 5.

380.18 Subdivision 1. **Exempted programs.** Participants who qualify for child care
 380.19 assistance programs under chapter 119B or group residential housing under chapter 256I
 380.20 are exempt from this section.

380.21 Subd. 2. **Scope of overpayment.** (a) When a participant or former participant
 380.22 receives an overpayment due to client or ATM error, or due to assistance received while
 380.23 an appeal is pending and the participant or former participant is determined ineligible
 380.24 for assistance or for less assistance than was received, except as provided for interim
 380.25 assistance in section 256D.06, subdivision 5, the county agency must recoup or recover
 380.26 the overpayment using the following methods:

380.27 (1) reconstruct each affected budget month and corresponding payment month;
 380.28 (2) use the policies and procedures that were in effect for the payment month; and
 380.29 (3) do not allow employment disregards in the calculation of the overpayment when
 380.30 the unit has not reported within two calendar months following the end of the month in
 380.31 which the income was received.

380.32 (b) Establishment of an overpayment is limited to six years prior to the month of
 380.33 discovery due to client error or an intentional program violation determined under section
 380.34 256.046.

381.1 (c) A participant or former participant is not responsible for overpayments due to
 381.2 agency error, unless the amount of the overpayment is large enough that a reasonable
 381.3 person would know it is an error.

381.4 Subd. 3. **Notice of overpayment.** When a county agency discovers that a participant
 381.5 or former participant has received an overpayment for one or more months, the county
 381.6 agency must notify the participant or former participant of the overpayment in writing.
 381.7 A notice of overpayment must specify the reason for the overpayment, the authority for
 381.8 citing the overpayment, the time period in which the overpayment occurred, the amount of
 381.9 the overpayment, and the participant's or former participant's right to appeal. No limit
 381.10 applies to the period in which the county agency is required to recoup or recover an
 381.11 overpayment according to subdivisions 5 and 6.

182.32 Subd. 4. **Recovering MFIP overpayments.** A county agency must initiate efforts to
 182.33 recover overpayments paid to a former participant or caregiver. Caregivers, both parental
 182.34 and nonparental, and minor caregivers of an assistance unit at the time an overpayment
 182.35 occurs, whether receiving assistance or not, are jointly and individually liable for repayment
 183.1 of the overpayment. The county agency must request repayment from the former
 183.2 participants and caregivers. When an agreement for repayment is not completed within six
 183.3 months of the date of discovery or when there is a default on an agreement for repayment
 183.4 after six months, the county agency must initiate recovery consistent with chapter 270A or
 183.5 section 541.05. When a person has been convicted of fraud under section 256.98, recovery
 183.6 must be sought regardless of the amount of overpayment. When an overpayment is less
 183.7 than \$35, and is not the result of a fraud conviction under section 256.98, the county agency
 183.8 must not seek recovery under this subdivision. The county agency must retain information
 183.9 about all overpayments regardless of the amount. When an adult, adult caregiver, or minor
 183.10 caregiver reapplies for assistance, the overpayment must be recouped under subdivision 5.

183.11 Subd. 4a. **Recovering general assistance and Minnesota supplemental aid**
 183.12 **overpayments.** (a) If an amount of assistance is paid to an assistance unit in excess of the
 183.13 payment due, the excess amount must be recovered by the agency. The agency shall give
 183.14 written notice to the recipient of its intention to recover the payment.

183.15 (b) If the person is no longer receiving assistance, the agency may request voluntary
 183.16 repayment or pursue civil recovery.

183.17 (c) If the person is receiving assistance, except as provided for interim assistance in
 183.18 section 256D.06, subdivision 5, when an overpayment occurs, the agency shall recover the
 183.19 overpayment by withholding an amount equal to:

183.20 (1) three percent of the assistance unit's standard of need for all Minnesota
 183.21 supplemental aid assistance units, and nonfraud cases for general assistance; and

183.22 (2) ten percent where fraud has occurred in general assistance cases; or

183.23 (3) the amount of the monthly general assistance or Minnesota supplemental aid
 183.24 payment, whichever is less.

183.25 (d) When there is both an overpayment and underpayment, the county agency shall
 183.26 offset one against the other in correcting the payment.

183.27 (e) Overpayments may also be voluntarily repaid in part or in full by the individual,
 183.28 in addition to the assistance reductions provided in this subdivision, to include further
 183.29 voluntary reductions in the grant level agreed to in writing by the individual, until the
 183.30 total amount of the overpayment is repaid.

382.8 Subd. 5. **Recovering MFIP overpayments.** A county agency must initiate efforts to
 382.9 recover overpayments paid to a former participant or caregiver. Caregivers, both parental
 382.10 and nonparental, and minor caregivers of an assistance unit at the time an overpayment
 382.11 occurs, whether receiving assistance or not, are jointly and individually liable for repayment
 382.12 of the overpayment. The county agency must request repayment from the former
 382.13 participants and caregivers. When an agreement for repayment is not completed within six
 382.14 months of the date of discovery or when there is a default on an agreement for repayment
 382.15 after six months, the county agency must initiate recovery consistent with chapter 270A or
 382.16 section 541.05. When a person has been convicted of fraud under section 256.98, recovery
 382.17 must be sought regardless of the amount of overpayment. When an overpayment is less
 382.18 than \$35, and is not the result of a fraud conviction under section 256.98, the county agency
 382.19 must not seek recovery under this subdivision. The county agency must retain information
 382.20 about all overpayments regardless of the amount. When an adult, adult caregiver, or minor
 382.21 caregiver reapplies for assistance, the overpayment must be recouped under subdivision 6.

381.12 Subd. 4. **Recovering general assistance and Minnesota supplemental aid**
 381.13 **overpayments.** (a) If an amount of assistance is paid to an assistance unit in excess of the
 381.14 payment due, it shall be recoverable by the agency. The agency shall give written notice to
 381.15 the participant of its intention to recover the overpayment.

381.16 (b) If the individual is no longer receiving assistance, the agency may request
 381.17 voluntary repayment or pursue civil recovery.

381.18 (c) If the individual is receiving assistance, except as provided for interim assistance
 381.19 in section 256D.06, subdivision 5, when an overpayment occurs the agency shall recover
 381.20 the overpayment by withholding an amount equal to:

381.21 (1) three percent of the assistance unit's standard of need for all Minnesota
 381.22 supplemental aid assistance units, and nonfraud cases for general assistance; and

381.23 (2) ten percent where fraud has occurred in general assistance cases; or

381.24 (3) the amount of the monthly general assistance or Minnesota supplemental aid
 381.25 payment, whichever is less.

381.26 (d) In cases when there is both an overpayment and underpayment, the county
 381.27 agency shall offset one against the other in correcting the payment.

381.28 (e) Overpayments may also be voluntarily repaid, in part or in full, by the individual,
 381.29 in addition to the assistance reductions provided in this subdivision, to include further
 381.30 voluntary reductions in the grant level agreed to in writing by the individual, until the
 381.31 total amount of the overpayment is repaid.

183.31 (f) The county agency shall make reasonable efforts to recover overpayments from
 183.32 a person who no longer receives assistance. The agency is not required to attempt to
 183.33 recover overpayments of less than \$35 if the person is no longer on assistance and if the
 183.34 individual does not receive assistance again within three years, unless the individual has
 183.35 been convicted of violating section 256.98.

184.1 (g) Establishment of an overpayment is limited to 12 months prior to the month of
 184.2 discovery due to agency error, and six years prior to the month of discovery due to client
 184.3 error or an intentional program violation determined under section 256.046.

184.4 (h) Residents of licensed residential facilities shall not have overpayments recovered
 184.5 from their personal needs allowance.

184.6 Subd. 5. **Recouping overpayments from MFIP participants.** A participant may
 184.7 voluntarily repay, in part or in full, an overpayment even if assistance is reduced under this
 184.8 subdivision, until the total amount of the overpayment is repaid. When an overpayment
 184.9 occurs due to fraud, the county agency must recover from the overpaid assistance unit,
 184.10 including child-only cases, ten percent of the applicable standard or the amount of the
 184.11 monthly assistance payment, whichever is less. When a nonfraud overpayment occurs, the
 184.12 county agency must recover from the overpaid assistance unit, including child-only cases,
 184.13 three percent of the standard of need or the amount of the monthly assistance payment,
 184.14 whichever is less.

184.15 Subd. 6. **Recovering automatic teller machine errors.** For recipients receiving
 184.16 benefits by electronic benefit transfer, if the overpayment is a result of an ATM dispensing
 184.17 funds in error to the recipient, the agency may recover the ATM error by immediately
 184.18 withdrawing funds from the recipient's electronic benefit transfer account, up to the
 184.19 amount of the error.

184.20 Subd. 7. **Scope of underpayments.** A county agency must issue a corrective
 184.21 payment for underpayments made to a participant or to a person who would be a
 184.22 participant if an agency or client error causing the underpayment had not occurred.
 184.23 Corrective payments are limited to 12 months prior to the month of discovery. The county
 184.24 agency must issue the corrective payment according to subdivision 9.

184.25 Subd. 8. **Identifying the underpayment.** An underpayment may be identified by
 184.26 a county agency, participant, former participant, or person who would be a participant
 184.27 except for agency or client error.

381.32 (f) The county agency shall make reasonable efforts to recover overpayments to
 381.33 individuals no longer on assistance. The agency need not attempt to recover overpayments
 381.34 of less than \$35 paid to an individual no longer on assistance if the individual does not
 381.35 receive assistance again within three years, unless the individual has been convicted of
 381.36 violating section 256.98.

382.1 (g) Establishment of an overpayment is limited to 12 months prior to the month of
 382.2 discovery due to agency error and six years prior to the month of discovery due to client
 382.3 error or an intentional program violation determined under section 256.046.

382.4 (h) Residents of licensed residential facilities shall not have overpayments recovered
 382.5 from their personal needs allowance.

382.6 (i) Overpayments by another maintenance benefit program shall not be recovered
 382.7 from the general assistance or Minnesota supplemental aid grant.

382.22 Subd. 6. **Recouping overpayments from MFIP participants.** A participant may
 382.23 voluntarily repay, in part or in full, an overpayment even if assistance is reduced under this
 382.24 subdivision, until the total amount of the overpayment is repaid. When an overpayment
 382.25 occurs due to fraud, the county agency must recover from the overpaid assistance unit,
 382.26 including child-only cases, ten percent of the applicable standard or the amount of the
 382.27 monthly assistance payment, whichever is less. When a nonfraud overpayment occurs,
 382.28 the county agency must recover from the overpaid assistance unit, including child-only
 382.29 cases, three percent of the MFIP standard of need or the amount of the monthly assistance
 382.30 payment, whichever is less.

382.31 Subd. 7. **Recovering automatic teller machine errors.** For recipients receiving
 382.32 benefits by electronic benefit transfer, if the overpayment is a result of an ATM dispensing
 382.33 funds in error to the recipient, the agency may recover the ATM error by immediately
 382.34 withdrawing funds from the recipient's electronic benefit transfer account, up to the
 382.35 amount of the error.

383.1 Subd. 8. **Scope of underpayments.** A county agency must issue a corrective
 383.2 payment for underpayments made to a participant or to a person who would be a
 383.3 participant if an agency or client error causing the underpayment had not occurred.
 383.4 Corrective payments are limited to 12 months prior to the month of discovery. The county
 383.5 agency must issue the corrective payment according to subdivision 10.

383.6 Subd. 9. **Identifying the underpayment.** An underpayment may be identified by
 383.7 a county agency, participant, former participant, or person who would be a participant
 383.8 except for agency or client error.

184.28 Subd. 9. **Issuing corrective payments.** A county agency must correct an
 184.29 underpayment within seven calendar days after the underpayment has been identified,
 184.30 by adding the corrective payment amount to the monthly assistance payment of the
 184.31 participant, issuing a separate payment to a participant or former participant, or reducing
 184.32 an existing overpayment balance. When an underpayment occurs in a payment month
 184.33 and is not identified until the next payment month or later, the county agency must first
 184.34 subtract the underpayment from any overpayment balance before issuing the corrective
 184.35 payment. The county agency must not apply an underpayment in a current payment month
 184.36 against an overpayment balance. When an underpayment in the current payment month
 185.1 is identified, the corrective payment must be issued within seven calendar days after the
 185.2 underpayment is identified. Corrective payments must be excluded when determining the
 185.3 applicant's or recipient's income and resources for the month of payment. The county
 185.4 agency must correct underpayments using the following methods:

185.5 (1) reconstruct each affected budget month and corresponding payment month; and

185.6 (2) use the policies and procedures that were in effect for the payment month.

185.7 Subd. 10. **Appeals.** A participant may appeal an underpayment, an overpayment,
 185.8 and a reduction in an assistance payment made to recoup the overpayment under
 185.9 subdivisions 4a and 5. The participant's appeal of each issue must be timely under section
 185.10 256.045. When an appeal based on the notice issued under subdivision 3 is not timely, the
 185.11 fact or the amount of that overpayment must not be considered as a part of a later appeal,
 185.12 including an appeal of a reduction in an assistance payment to recoup that overpayment.

185.13 Sec. 34. **REPEALER.**

185.14 (a) Minnesota Statutes 2014, sections 256D.0513; 256D.06, subdivision 8; 256D.09,
 185.15 subdivision 6; 256D.49; and 256J.38, are repealed.

185.16 (b) Minnesota Rules, part 3400.0170, subparts 5, 6, 12, and 13, are repealed.

185.17 Sec. 35. **EFFECTIVE DATE.**

185.18 This article is effective August 1, 2016.

383.9 Subd. 10. **Issuing corrective payments.** A county agency must correct an
 383.10 underpayment within seven calendar days after the underpayment has been identified,
 383.11 by adding the corrective payment amount to the monthly assistance payment of the
 383.12 participant, issuing a separate payment to a participant or former participant, or reducing
 383.13 an existing overpayment balance. When an underpayment occurs in a payment month
 383.14 and is not identified until the next payment month or later, the county agency must first
 383.15 subtract the underpayment from any overpayment balance before issuing the corrective
 383.16 payment. The county agency must not apply an underpayment in a current payment month
 383.17 against an overpayment balance. When an underpayment in the current payment month
 383.18 is identified, the corrective payment must be issued within seven calendar days after the
 383.19 underpayment is identified. Corrective payments must be excluded when determining the
 383.20 applicant's or participant's income and resources for the month of payment. The county
 383.21 agency must correct underpayments using the following methods:

383.22 (1) reconstruct each affected budget month and corresponding payment month; and

383.23 (2) use the policies and procedures that were in effect for the payment month.

383.24 Subd. 11. **Appeals.** A participant may appeal an underpayment, an overpayment,
 383.25 and a reduction in an assistance payment made to recoup the overpayment under
 383.26 subdivisions 4 and 6. The participant's appeal of each issue must be timely under section
 383.27 256.045. When an appeal based on the notice issued under subdivision 3 is not timely, the
 383.28 fact or the amount of that overpayment must not be considered as a part of a later appeal,
 383.29 including an appeal of a reduction in an assistance payment to recoup that overpayment.

383.30 Sec. 34. **REPEALER.**

383.31 (a) Minnesota Statutes 2014, sections 256D.0513; 256D.06, subdivision 8; 256D.09,
 383.32 subdivision 6; 256D.49; and 256J.38, are repealed.

383.33 (b) Minnesota Rules, part 3400.0170, subparts 5, 6, 12, and 13, are repealed.

383.34 Sec. 35. **EFFECTIVE DATE.**

384.1 Sections 1 to 34 are effective August 1, 2016.