Overview

This bill makes changes to Minnesota's welfare reform program, the Minnesota Family Investment Program (MFIP), as well as to several other related programs. Many sections revise and clarify program policies. Other sections implement initiatives included in the governor's budget recommendations for these programs. Changes made by the bill include:

Sections 1 and 2 eliminate the current cap of $400 per participant in the Food Stamp Employment and Training program (FSET)

Section 4 requires the commissioner to review GA cases where the applicant has been denied other benefits, and permits the commissioner to require that such an applicant appeal the denial, if appropriate.

Sections 3 and 13 make permanent the provision of state-funded food assistance to legal noncitizens who are not eligible for federal Food Stamps. Section 3 removes the sunset on the Minnesota Food Assistance Program; section 13 makes permanent the MFIP food portion for noncitizen families on MFIP.

Section 27 increases the MFIP exit level for a family of three to 120 percent of the current federal poverty guidelines in October of state fiscal years 2000 and 2001. The exit level increase is the result of increasing the percentage of the earned income disregard, so it affects only MFIP families that have earned income. Sections 6, 11, 20 and 21 make other technical changes related to this proposal.

Section 50 exempts MFIP caregivers who are already working the required number of hours from the requirement to attend an MFIP orientation. Sections 60 and 62 permit a participant to limit job search to jobs that are consistent with the person's employment goal, if the job counselor agrees. Section 61 authorizes a job counselor to require, as part of a secondary assessment, that a participant complete a chemical use or psychological assessment. Section 81, requiring protocols to implement these special
assessments, is related to this section. **Section 63** requires that participants with low reading and math skills be allowed to include basic education or ESL activities in their plan. **Section 65** requires both parents in a two-parent family to use the same employment and training provider, unless special needs exist.

**Sections 67 and 68** establish a new formula for allocating employment and training block grant funds to counties and eligible tribal providers.

**Section 75** requires the commissioner to provide counties with performance management reports that show each county its relative performance on selected MFIP measures. The section also specifies that any federal sanctions for failing to meet work participation rates will be borne 88 percent by the state and 12 percent by the counties.

**Sections 76 to 78** establish a new formula for allocating administrative funding to counties.

**Section 79** requires the commissioner to submit recommendations to the legislature next session regarding MFIP families where the caregiver has reached the 60-month lifetime limit on federally-funded assistance.

**Section 80** requires the commissioner to submit a proposal to the legislature next session to create an incentive bonus program for high-performing counties.

This bill also makes technical changes throughout, to change the name of the program by dropping the "-Statewide" at the end of the name, and to correspondingly change the acronym from MFIP-S to MFIP.

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1 **Duties of commissioner.** (Amends § 256D.051, subd. 2a) Technical, inserting a reference to the next section.

2 **Program funding.** (Adds new subd. 6c to § 256D.051) Within the limits of available appropriations, requires the commissioner to reimburse counties and employment and training service providers for their actual FSET (food stamp employment and training) costs, including costs for participant support services, direct program services and program administration. Imposes a 15 percent cap on administrative costs. Permits a county to spend in excess of the limits in this section, but no state reimbursement is available for the excess spending. Specifies an allocation method to distribute these state funds for the counties' FSET activities. (Under current law a county is limited to $400 per FSET recipient, unless the recipient meets the definition of a "hard-to-employ individual." Section 84 repeals this $400 limit.)

3 **Program established.** (Amends § 256D.053, subd. 1) Removes the sunset on the Minnesota food assistance program, so that the program continues past June 30 of this year. Also updates the reference to the federal laws that authorize the state option to purchase federal food stamp benefits, and on which the Minnesota food assistance program is based.

4 **(Amends § 256D.06, subd. 5)** Requires the commissioner to review cases where a GA applicant has applied for and been denied other maintenance benefits. Permits the commissioner to require a GA applicant who has been denied these other benefits to appeal the denial, if appropriate.

5 **Caregiver.** (Amends § 256J.08, subd. 11) Adds adult half-siblings to the list of persons who could be an MFIP caregiver.
**Disregard.** (Amends § 256J.08, subd. 24) Adds a cross-reference to section 27 of the bill, because that is where the earned income disregard percentage will be calculated.

**Encumbrance.** (Adds subd. 28a to § 256J.08) Defines "encumbrance" as a legal claim against property that is payable when the property is sold.

**MFIP standard of need.** (Adds new subd. 55a to § 256J.08) Adds to the definition section of the MFIP chapter a definition of the "MFIP standard of need," which is used to determine MFIP benefit payments. The MFIP standard of need may be:

- the transitional standard (used when the caregiver has no earned income);
- the shared household standard (used when an unrelated individual lives with the assistance unit); or
- the interstate payment standard (which Minnesota has been enjoined from implementing).

The term "MFIP standard of need" is used throughout the bill, in place of the current law references to one or more of these specific standards.

**Participant.** (Amends § 256J.08, subd. 65) Excludes from the definition of "participant" someone who requests closure before the first of the month, and repays cash and food assistance within that month. Clarifies that someone who receives only food assistance is still a participant under this definition. Also clarifies that someone who is not receiving cash and food assistance because the person has been suspended from the program is still a participant under this definition.

**Sanction.** (Amends § 256J.08, subd. 82.) Modifies this definition to reflect the new definition of "MFIP standard of need" that is added in section 8.

**Significant change.** (Amends § 256J.08, subd. 83) Technical, replacing the absolute disregard percentage of 36 percent under current law with a reference to the definition section of the MFIP law, and specifically to the provision (in section 6 of the bill) where "disregard" is defined.

**Unrelated member.** (Amends § 256J.08, subd. 86a) Strikes a provision that excludes from the definition of "unrelated individual" a person who provides child care to a child in the assistance unit. (This same provision is recodified in a new location in section 26.)

**Noncitizens; food portion.** (Amends § 256J.11, subd. 2) Strikes obsolete language. Provides that, notwithstanding a provision in session law that will end noncitizen eligibility for state-funded assistance, noncitizens who are on MFIP but who are not eligible for federally-funded food stamp benefits are eligible for the food portion of an MFIP grant, funded with state dollars.

**Benefits funded with state money.** (Amends § 256J.11, subd. 3) Clarifies that the citizenship application requirements that apply to an adult noncitizen who has lived in the U.S. for at least four years refer to a noncitizen who has been a lawful permanent resident.

**30-day residency requirement.** (Amends § 256J.12, subd. 1a) Clarifies that the 30-day residency requirement is met when a child or caregiver has lived in the state for 30 consecutive days.

**Exceptions.** (Amends § 256J.12, subd. 2) Clarifies how the 30-day residency requirement is met when a minor child or minor caregiver moves to Minnesota to live with a relative and applies for MFIP.

**Eligibility for parenting or pregnant minors.** (Amends § 256J.14) Requires that the cash portion of a minor caregiver's grant be paid as a protective payment when possible, regardless of the minor's living situation.

**Other property limitations.** (Amends § 256J.20, subd. 3) Modifies the vehicle exclusion provisions to exclude the value of a vehicle for a physically disabled unit member. Also clarifies
the treatment of vehicles that are used for employment.

19 **Income exclusions.** (Amends § 256J.21, subd. 2) Excludes carpooling reimbursement as income. Strikes language excluding 1997 property tax rebates as income. Also excludes the income of minor children and minor caregivers who are cooperating with any applicable school attendance requirements. Clarifies the exclusions that apply to the income of a minor parent's parent or stepparent.

- **Initial income test. Monthly income test and determination of assistance payment.**

212021 (Amends § 256J.21, subds. 3 and 4) Replaces the absolute disregard percentage of 36 percent under current law with a reference to the definition of "disregard" in section 6 of the bill. Makes other technical changes.

22 **Mandatory assistance unit composition.** (Amends § 256J.24, subd. 2) Clarifies that children who must be included in an assistance unit are only the minor children.

23 **Individuals who must be excluded from an assistance unit.** (Amends § 256J.24, subd. 3) Strikes provision that excludes a person living at home while doing court-imposed community service work from the MFIP assistance unit.

24 **Family wage level standard.** (Amends § 256J.24, subd. 7) Modifies this definition to reflect the new definition of "MFIP standard of need" that was added in section 8.

25 **Assistance paid to eligible assistance units.** (Amends § 256J.24, subd. 8) Exempts new assistance units from the six-month vendor pay requirement if the caregiver is not the parent of the minor children in the assistance unit, and the caregiver is not included in the grant.

26 **Shared household standard; MFIP.** (Amends § 256J.24, subd. 9) Adds an exception to the shared household standard for cases where the unrelated individual provides child care to a child in the assistance unit. (This provision was relocated from section 12.)

27 **MFIP exit level.** (Adds subd. 10 to § 256J.24) In paragraph (a), for state fiscal years 2000 and 2001, requires the commissioner to adjust the size of the earned income disregard so that most MFIP participants do not reach the MFIP exit level until their income is greater than or equal to 120 percent of the federal poverty guidelines that are in effect in October of each of these fiscal years. Requires the earned income disregard percentage to be calculated so that a household of three attains this exit level, and specifies that the resulting disregard percentage must be applied to all household sizes. Requires the commissioner to implement these adjustments at the same time the annual adjustment of the MFIP food portion occurs.

In paragraph (b), specifies that in FY 2000 and future years, the earned income disregard percentage will be the same as the percentage calculated for FY 2001.

28 **Person convicted of drug offense.** (Amends § 256J.26, subd. 1) Technical, modifying the references to the MFIP standard to reflect the new definition of "MFIP standard of need" that was added in section 8. Also clarifies that for a participant who is under an MFIP sanction and who then fails an initial drug test, the failure is treated as a second sanction. Also clarifies that the policies in this section for convicted drug offenders apply to offenses, not convictions, that occurred after July 1, 1997.

29 **Late MFIP household report forms.** (Amends § 256J.30, subd. 8) Modifies the timing of when notices are sent out after an assistance unit submits an incomplete or late household report form.

30 **Changes that must be reported.** (Amends § 256J.30, subd. 9) Strikes a provision requiring a caregiver to report changes within ten days of when the caregiver learns of the change. (Other current law requirements of when changes must be reported are not stricken or amended.) Inserts a cross-reference to a provision that specifies how overpayments for late reports are calculated. Requires the caregiver to report any change that may relate to whether or not the unit
is exempt from using the shared household standard. Requires the caregiver to report a change in household composition.

**31 Mailing of notice.** (Amends § 256J.31, subd. 5) In paragraphs (a) and (b), modifies the requirements of when notices of adverse action are mailed. Provides for two categories of notices, a ten-day notice and a "four working days" notice. Specifies six situations when the four working days' notice provisions apply.

*In paragraph (c), adds a notice requirement for situations where the caregiver requests closure of the MFIP case.*

*In paragraph (d), specifies when a notice of adverse action that is the result of some change the caregiver has reported on the required household report form must be mailed.*

**32 Right to discontinue assistance.** (Amends § 256J.31, subd. 12) Clarifies that an assistance unit whose benefits are being vendor paid cannot opt out of the cash portion of MFIP assistance. Adds a provision specifying how a participant who opts out of the cash portion retains eligibility for MFIP child care assistance and medical assistance (MA).

**33 Factors to be verified.** (Amends § 256J.32, subd. 4) No longer requires the expected high school graduation date of an 18 year old to be verified. Requires that a claim of an exception to the shared household standard be verified.

**34 Recertification.** (Amends § 256J.32, subd. 6) Requires that a claim of an exception to the shared household standard be verified at the time of recertification.

**35 Prospective and retrospective determination of MFIP eligibility.** (Amends § 256J.33) Technical, modifying a reference to the MFIP standard to reflect the new definition of "MFIP standard of need" that was added in section 8.

**36 Prospective budgeting.** (Amends § 256J.34, subd. 1) Requires a county to use prospective budgeting for the first two months when a person is added to an assistance unit.

**37 Additional use of retrospective budgeting.** (Amends § 256J.34, subd. 3) Technical, modifying a reference to the MFIP standard to reflect the new definition of "MFIP standard of need" that was added in section 8.

**38 Significant change in gross income.** (Amends § 256J.34, subd. 4) Specifies four situations when there could be a significant change in a participant's income, but when a supplemental assistance payment is not available to offset the change: receipt of a lump sum; receipt of an extra paycheck; business fluctuation in self-employment income; and participation in a strike or other labor action.

**39 Amount of assistance payment.** (Amends § 256J.35) Technical, modifying a reference to the MFIP standard to reflect the new definition of "MFIP standard of need" that was added in section 8. Also strikes paragraph (d); this provision is relocated to section 74 of the bill.

**40 Allocation for unmet need of other household members.** (Amends § 256J.36) Technical, modifying a reference to the MFIP standard to reflect the new definition of "MFIP standard of need" that was added in section 8.

**41 Deemed income from ineligible household members.** (Amends § 256J.37, subd. 1) Technical, modifying a reference to the MFIP transitional standard to reflect the new definition of "MFIP standard of need" that was added in section 8.

**42 Deemed income from disqualified members.** (Amends § 256J.37, subd. 1a) Technical, modifying a reference to the MFIP transitional standard to reflect the new definition of "MFIP standard of need" that was added in section 8.

**43 Deemed income and assets of sponsor of noncitizens.** (Amends § 256J.37, subd. 2) In paragraph (a), specifies that the provisions in paragraphs (b) to (d) apply to an MFIP applicant
or recipient who entered the U.S. legally before December 19, 1997.

In **paragraph (b)**, specifies the procedure to use when deeming the income and assets of a sponsor and a sponsor's spouse to a sponsored immigrant who is applying for MFIP.

In **paragraph (c)**, specifies the procedure to use when a person is a sponsor of two or more immigrants living in the same home.

In **paragraph (d)**, makes an immigrant whose sponsor is or was a public or private agency ineligible for MFIP for three years after the immigrant enters the U.S., unless the sponsoring agency no longer exists or has become unable to meet the immigrant's needs.

In **paragraph (e)**, clarifies that the requirement under the 1996 federal Welfare Reform Act to obtain a signed affidavit of support applies to a noncitizen who entered the U.S. legally on or after December 19, 1997, and who applies for or receives MFIP.

44 **Unearned income.** (Amends § 256J.37, subd. 9) In **paragraph (a)**, makes a technical change, modifying a reference to the transitional standard to reflect the new definition of "MFIP standard of need" that was added in section 8. Makes no changes to paragraph (b).

In **paragraph (c)**, specifies three types of MFIP recipients to whom the requirement to count $100 of the value of federal HUD rental assistance as unearned income does not apply:

(i) persons exempt from MFIP employment and training requirements because they are age 60 or older;

(ii) persons exempt from MFIP employment and training requirements because they have a certified disability or illness that prevents them from obtaining or retaining employment; and

(iii) persons exempt from MFIP employment and training requirements because they are needed to care for another member of their household who has a certified disability or illness.

45 **Treatment of lump sums.** (Amends § 256J.37, subd. 10) Technical, modifying a reference to the transitional standard to reflect the new definition of "MFIP standard of need" that was added in section 8.

46 **Recouping overpayments from participants.** (Amends § 256J.38, subd. 4) Technical, modifying a reference to the transitional standard to reflect the new definition of "MFIP standard of need" that was added in section 8.

47 **Time limit.** (Amends § 256J.42, subd. 1) In **paragraph (a)**, strikes an unnecessary reference to the food portion for noncitizens. Specifies that time when a participant receives assistance under a tribal TANF program counts towards the participant's 60-month lifetime limit on federally-funded assistance.

Also rewords **paragraph (b)** to clarify that months when the recipient was participating in the Minnesota investment plan field trials are not counted toward the 60-month limit.

48 **Exemption for certain families.** (Amends § 256J.42, subd. 5) Technical, inserting a more complete cross-reference to clarify that persons who are age 60 or older are exempt from the 60-month time limit on assistance.

49 **Interstate transitional standards.** (Amends § 256J.43) Makes technical changes throughout this section to update references to the applicable MFIP standard of need.

50 **County agency to provide orientation.** (Amends § 256J.45, subd. 1) Exempts caregivers who are working at least 35 hours per week, and second parents who are working at least 20 hours per week, from the requirement to attend an MFIP orientation. Makes other conforming changes.

51 **Sanctions for participants not complying with program requirements.** (Amends § 256J.46,
subd. 1) Technical, replacing references to the different standards to reflect the new definition of "MFIP standard of need" that was added in section 8. Also clarifies that references to the "residual" refer to the residual grant after a sanction has been applied.

52 **Sanctions for refusal to cooperate with support requirements.** (Amends § 256J.46, subd. 2) Technical, modifying a reference to the transitional standard to reflect the new definition of "MFIP standard of need" that was added in section 8.

53 **Dual sanctions.** (Amends § 256J.46, subd. 2a) Technical, modifying a reference to the MFIP transitional standard.

54 **Ineligibility for MFIP; emergency assistance; and emergency general assistance.** (Amends § 256J.47, subd. 4) Technical, modifying a reference to the MFIP standard to reflect the new definition of "MFIP standard of need" that is added in section 8.

55 **Eligibility.** (Amends § 256J.48, subd. 2) Provides that emergency assistance (EA) is not available if the reason for the family's emergency needs is that the assistance unit is under a sanction or the caregiver is disqualified from receiving MFIP.

56 **Emergency needs.** (Amends § 256J.48, subd. 3) In paragraph (c), makes a technical change, modifying a reference to the MFIP transitional standard to reflect the new definition of "MFIP standard of need" that is added in section 8. In paragraph (g), adds refuse removal service to the list of utility costs for which an emergency assistance grant may be paid.

57 **Employment and training services component of MFIP.** (Amends § 256J.50, subd. 1) Strikes a provision that allows counties to provide employment and training services to caregivers who are exempt but who volunteer for the services. Requires counties to provide employment and training services within 30 days after an MFIP recipient is required to participate in the services.

58 **Overview of employment and training services.** (Amends § 256J.515) Clarifies that attending the employment and training services orientation is mandatory, and that failing to attend without good cause will result in a sanction.

59 **Application limited to certain participants.** (Amends § 256J.52, subd. 1) Technical, striking a cross-reference to the provision about exempt caregivers volunteering for employment and training, because that provision was stricken in section 57.

60 **Job search; job search support plan.** (Amends § 256J.52, subd. 3) Permits an MFIP participant's job search to be limited to jobs that are consistent with the participant's employment goal, if the job counselor and participant agree to this limitation. Also permits a participant to fulfill a specified portion of the 30-hour weekly job search requirement by attending adult basic education (ABE) or English as a second language (ESL) classes, if this is specified in the job search support plan.

61 **Secondary assessment.** (Amends § 256J.52, subd. 4) In paragraph (b), provides that the failure to complete a secondary assessment will result in a sanction. Adds paragraph (c), which authorizes a job counselor to require that a participant complete an appropriate and culturally competent professional chemical use assessment or psychological assessment, when the job counselor has a reasonable belief that the participant's ability to get and keep a job is impaired by a medical condition. Requires the job counselor to ensure that appropriate services, like child care and transportation, are available to meet needs identified by an assessment under this paragraph. Specifies how data gathered in an assessment under this paragraph is treated under the state Data Practices Act.

In paragraph (d), specifies the minimum information on additional employment and training resources that an employment and training services provider must make available to each MFIP participant; this includes information on: activities operated under the Minnesota job skills
partnership; community and technical colleges; adult basic education (ABE) programs; and services offered by vocational rehabilitation programs.

62 **Employment plan; contents.** (Amends § 256J.52, subd. 5) When job search is an activity in an MFIP participant's employment plan, permits the job search to be limited to jobs that are consistent with the participant's employment goal, if the job counselor and participant agree to this limitation.

63 **Basic education activities in plan.** (Adds subd. 5a to §256J.52) Requires, for a participant who is proficient in reading or math only at or below an eighth-grade level, that the participant be allowed to include basic education activities or an English as a second language program in the participant's job search support plan or employment plan.

64 **Responsibility for assessment and employment plan.** (Amends § 256J.54, subd. 2) Permits, at county option, an 18- or 19-year old caregiver who does not have a high school diploma, to have a social services agency conduct the required MFIP assessment and complete the employment plan. Also permits an 18- or 19-year old caregiver who has been receiving services from a social services agency, and who does not have a high school diploma, to choose whether to continue receiving services from the social services agency, or to instead use an employment and training services provider.

65 **Choice of provider.** (Amends § 256J.55, subd. 4) Requires, for two-parent families, both parents to choose the same employment and training services provider, unless an identified special need (e.g. bilingual services) is not available through one service provider.

66 **Employment and training services component; exemptions.** (Amends § 256J.56) Requires a caregiver who is exempt from employment and training for 12 continuous months because of a professionally certified disability or illness to apply for supplemental security income (SSI) or social security disability benefits (SSDI).

67 **Allocation.** (Amends § 256J.62, subd. 1) Requires eligible tribal providers to also receive an allocation from the appropriation for employment and training services grants, under the formula specified in the next section.

68 **Caseload-based funds allocation.** (Adds subd. 2a to § 256J.62) Creates a new formula to allocate employment and training funding to counties and eligible tribal providers, for fiscal years 2000 and thereafter. Each county or eligible tribe will receive money based on its average number of MFIP cases as a proportion of the statewide total number of cases.

In clause (1), provides that the average number of cases is calculated from the previous year's quarterly counts, but excludes child-only cases and cases where all caregivers are age 60 or over (and thus are exempt from employment and training requirements). Provides that two-parent cases are multiplied by a factor of 2 in this calculation.

In clause (2), provides that the case count for each eligible tribal provider is based on the number of active MFIP cases that include a member who is enrolled in, or eligible for enrollment, in the tribe. Requires that the cases that are included in the count must be ones where the member resides within the tribal program's service delivery area.

In clause (3), requires the MFIP cases counted as part of a tribal provider's allocation to be excluded from the case counts of the respective counties where the members reside, in order to prevent duplicate counts.

In clause (4), requires the commissioner to first set aside $1 million before allocating funds under this section. Allows the commissioner to use these set-aside monies to provide additional funding to counties or to tribal providers who experience an unforeseen influx of MFIP participants, or other situations beyond their control.

Requires that funds allocated under this formula that remain unspent by March 31 of each year
be reallocated to county and tribal providers under the same formula.

- **Bilingual employment and training services to refugees. Work literacy language programs.**

726972 **Reallocation. Continuation of certain services.** (Amends § 256J.62, subds. 6 to 9) Technical changes only, revising the MFIP acronym.

73 **Employment plan.** (Amends § 256J.67, subd. 4) Technical, modifying a reference to the transitional standard to reflect the new definition of "MFIP standard of need" that is added in section 8.

74 **Concurrent eligibility, limitations.** (Amends § 256J.74, subd. 2) In paragraph (a), recodifies a provision relating to a caregiver's concurrent eligibility when they have moved from another state where they were receiving assistance. This provision is being relocated from section 39 of the bill.

In paragraph (b), clarifies the treatment of an individual who is a member of more than one assistance unit in this state in a given month. Also clarifies that the provisions relating to the treatment of foster care payments apply to all types of foster care payments, not just federal Title IV-E payments.

75 **County performance management.** (Adds new § 256J.751)

In paragraph (a), requires the commissioner to provide each county with a quarterly report showing the county's relative performance on five measures: the percent of the MFIP caseload working in paid employment; the percent of the caseload receiving only the MFIP food portion; the number of MFIP cases that have left the program; the county's performance with respect to the federal work participation requirements; and the median placement wage.

In paragraph (b), requires the commissioner to develop additional county performance standards, by January 1, 2000. Requires the commissioner to consult with counties to develop these measures. Also requires that the commissioner consider: a measure for cases that leave MFIP due to employment; job retention after participants leave MFIP; participant earnings at some point after leaving MFIP; and customer satisfaction, including participant and employer satisfaction.

In paragraph (c), specifies that if the federal government imposes sanctions on the state because of failures to meet the federal work participation requirements, the state must pay 88 percent of the sanction. Requires counties to pay the remaining 12 percent of the sanction, each county in proportion to its percentage of the average monthly MFIP caseload during the period for which the sanction is imposed.

In paragraph (d), if a county fails to meet the federal performance standards in any year, requires the commissioner to work with counties to organize a joint state-county technical assistance team to assist the particular county. Requires the commissioner to coordinate the technical assistance with other state agencies as necessary.

76 **Administrative functions.** (Amends § 256J.76, subd. 1) Permits a county to request, before July 15 of this year, that the commissioner review the FY 1996 data that was used to set the county's base for its MFIP administrative allocation, if it believes the data was inaccurate or incomplete. Requires the commissioner to adjust the base if necessary, by August 15, 1999. Requires the commissioner to adjust the county's 1999 allocation amount to reflect the base change.

77 **Allocation of county funds.** (Amends § 256J.76, subd. 2) In paragraph (b), creates a new formula to allocate administrative funds to counties. Administrative funds will be allocated on a calendar year basis, beginning January 1, 2000, under this formula. The formula provides each county with a base allocation of up to $2,000, and further specifies the calculation of a guaranteed floor for each county's allocation.
Reporting requirement and reimbursement. (Amends § 256J.76, subd. 4) Requires the commissioner to regularly review each county's administrative expenditures as compared to the county's allocation under the previous section. Permits the commissioner to reallocate funds from counties that will not have expended their allocations to counties that have expenditures that are greater than their allocation.

Recommendations to 60-month limit. By January 15, 2000, requires the commissioner to submit recommendations to the legislature on MFIP families that include a caregiver who has reached the 60-month time limit for receiving federally-funded assistance.

Proposal required. By January 15, 2000, requires the commissioner to submit a proposal to the legislature for creating an MFIP incentive bonus program for high-performing counties. Requires the proposal to include recommendations on how to implement a system that would provide an incentive bonus to a county that demonstrates high performance, as reflected in wage rate and career advancement measures, with respect to the county's MFIP participants.

Assessment protocols. Requires the commissioner to consult with county agencies, employment and training service providers, the commissioner of human rights and advocates to develop protocols for implementing the provision in section 61, paragraph (c), that permits a job counselor to require an MFIP participant to have a chemical use or psychological assessment.

FATHER project; time-limited waiver of existing statutory provisions. Requires the commissioner to waive enforcement of the specified statutory provisions, and the related administrative rules and standards, for the limited purpose of allowing the entire amount of direct child support payments to be passed through for the children of noncustodial parents who are participating in the FATHER demonstration project, and so that these child support payments are excluded as income when the custodial parent is an MFIP participant. Sunsets the waiver authority granted by this section on July 1, 2002.

Appropriation. Makes an in-blank appropriation to the commissioner to offset the increased costs to the state of implementing the waivers for the FATHER project that are specified in the previous section. Provides that this appropriation is available until expended, and is available only if it is matched on a 1:1 basis by money from the private philanthropical community.

Repealer. Repeals the following provisions:

- § 256D.051, subdivisions 6 and 19, on FSET spending limits. These provisions are replaced by sections 1 and 2 of the bill.
- § 256D.053, subdivision 4, requiring the commissioner to submit a plan to the USDA for the Minnesota food assistance program. This subdivision is now obsolete.
- § 256J.03, creating a TANF reserve account in the state treasury.
- § 256J.62, subdivisions 2, 3 and 5, specifying the allocation of employment and training services block grant to counties. These subdivisions are replaced by sections 58 and 59 of the bill.

Laws 1997, chapter 85, article 1, section 63, on county performance standards and requiring a plan to allocate federal fiscal sanctions. This section is replaced by section 75 of the bill.