Overview

H.F. 3248 modifies how state general fund expenditures can be reported to meet Minnesota's maintenance of effort (MOE) requirement for the federal TANF block grant program in several ways:

1. **State TANF MOE expenditures; expenditure review.** (Adds new § 3.3006) Creates an LAC review mechanism if the statutorily-specified list of approved MOE spending in section 6 of the bill will be insufficient to meet the federal requirements for MOE spending and the legislature cannot take timely action to avoid a federal penalty.

   **Subd. 1. Definitions.** For purposes of this section, defines "TANF MOE" as the state maintenance of effort for the federal TANF block grant. Defines "commissioner" as the commissioner of human services.

   **Subd. 2. State TANF MOE expenditures.** Provides that the state's TANF MOE expenditure requirements must be met as provided in section 6 of the bill, unless the interim procedures specified in subdivisions 3 and 4 apply.

   **Subd. 3. Interim procedures.** Permits the commissioner to report additional state expenditures as TANF MOE expenditures if the spending on the programs listed in section 6 of the bill are insufficient to meet the federal requirements and the legislature cannot take timely action to address the shortfall. However, the Legislative Advisory Commission (LAC) review that is specified in subdivision 4 must occur before the commissioner may report the additional expenditures as MOE.
**Subd. 4. Legislative advisory commission review.** Requires the commissioner of finance to submit recommendations for additional allowable TANF MOE expenditures to the LAC members for their review. If the LAC does not request further review within ten days, no further LAC review is required. If any LAC member requests further review of the proposed expenditures, the governor must submit the TANF MOE recommendations to the LAC for its review and recommendation. If the LAC fails or refuses to make a recommendation promptly, that is the same as the LAC making a negative recommendation about the expenditures.

**Subd. 5. Forecast inclusion of interim changes not allowed.** Prohibits any changes in federal TANF expenditures or state expenditures for TANF MOE that may occur as a result of the interim procedures in this section from being incorporated into the February or November forecasts, unless the LAC review required under subdivision 4 has occurred and the commissioner of finance has approved the expenditures under those procedures.

2 **Child care services.** (Amends § 119B.02, subd. 1) Amends the requirement that the commissioner of children, families and learning maximize federal money to limit this requirement to federal child care and development block grant funds only. Also corrects a reference to the child care title of the federal welfare reform law (Title VI of Public Law Number 104-193).

3 **Specific powers.** (Amends § 256.01, subd. 2) In clause (15) of this subdivision, clarifies that the commissioner of human services' authority to develop and implement special projects to maximize reimbursements does not apply to activities that are funded with federal TANF dollars.

4 (Amends § 256.011, subd. 3) Provides that the statute governing how the commissioner of human services administers federal grants-in-aid, which specifies that the grants or aids must be used to reduce the direct state appropriations, does not apply to federal TANF dollars.

5 **Program established.** (Amends § 256.995, subd. 1) Clarifies that the commissioner of human services' authority to maximize federal funds in the program of school-linked services for at-risk children and youth does not apply to activities that are funded with federal TANF dollars.

6 **TANF maintenance of effort.** (Adds new § 256J.025) Specifies what state general fund expenditures can be reported as TANF MOE expenditures.

**Subd. 1. Sources of state money for TANF MOE.** Specifies four types of expenditures that can be reported for TANF MOE purposes:

- MFIP cash assistance benefits
- MFIP child care assistance
- state, county and tribal MFIP administrative costs
- state, county and tribal employment services activities

**Subd. 2. Sufficient qualified state expenditures required annually.** In paragraph (a), requires the commissioner of human services to ensure that the state meets its annual TANF MOE expenditure requirement. If the state money for the programs listed in subdivision 1 is not sufficient to do this, requires the commissioner to either recommend additional allowable sources of expenditures to the legislature, or to provide the recommendations to the LAC under the expenditure review procedures in section 1 of the bill.

In paragraph (b), provides that if the commissioner uses the transfer authority granted in the omnibus health and human services appropriations bill to meet the state's TANF MOE requirements in a given reporting period, the commissioner must inform the chairs of the appropriate legislative committees about those transfers.

7 **TANF MOE.** (Adds subd. 84a to § 256J.08) Adds a definition of "TANF MOE," the state
maintenance of effort for the federal TANF block grant, in the MFIP chapter of statutes.

(Amends Laws 1999, chapter 245, article 1, section 2, subdivision 10) Deletes a rider from the 1999 health and human services omnibus bill that authorizes the commissioner of human services to apply any allowable source of state expenditure to meet TANF MOE requirements.

9 Upper limit on TANF MOE expenditures.

Subd. 1. State appropriations used to meet TANF MOE. Specifies upper limits on the amounts of state expenditures that can be reported in fiscal years 2000 and 2001. (The total expenditures across all activities listed in this section is $191.138 million for each year.)

Subd. 2. Human services expenditures limited. Specifies the following upper limits on TANF MOE expenditures from human services activities:

- MFIP administration: $28.759 million in each year
- MFIP employment services: $6.722 million in each year

Subd. 3. Child care assistance expenditures limited. Specifies the following upper limits on TANF MOE expenditures from child care assistance activities:

- MFIP child care: $64.350 million in FY 2000; $63.320 million in FY 2001

10 Effective date. Makes the bill immediately effective.