

**2016**



**SESSION SUMMARIES**

# Session Summaries

## Introduction

The Legal Services Advocacy Project (LSAP) is pleased to present the 2016 Session Summaries. These summaries cover a wide range of substantive areas and the specific changes to Minnesota law made by the 2016 Legislature that are the most relevant to the lives of low-income and financially-fragile Minnesotans and to the attorneys and advocates who represent and serve them. They are divided by area of substantive law, and contain the name and contact information for the LSAP attorney who is the lead in that substantive area. We hope you find them useful.

## A Note on the Session Summaries

Each of the bills that became law in 2016 is assigned a *Chapter* number mostly in the order they are presented to the Governor. Collectively, the *Chapters* that became law comprise the 2016 “Minnesota Session Laws.”

In these Session Summaries, the *Chapter* number -- and either the House or Senate bill number associated with it -- are noted under each major law summarized. All the Chapters may be found on the Minnesota Legislature’s award-winning Web site. [Click here to view.](#)

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## ASSET BUILDING

Prepared by:

Ron Elwood, Supervising Attorney

Legal Services Advocacy Project

651-842-6909

[relwood@mnlsap.org](mailto:relwood@mnlsap.org)

### I. MINNESOTA EMERGING ENTREPRENEUR PROGRAM (MEEP)

*Chapter 189, Article 7, Sections 24 – 37, and Article 12, Section 2 (HF 2749)*

*Amends Minn. Stat. §§ 116M.14, subds. 2 and 4; 116M.15, subd. 1;*

*116M.17, subds. 2, 4; and 116M.18*

*Adds Minn. Stat. §§ 116M.14, subds. 3a, 4a, 4b, 6, 7, 8, 9; and 116M.15, subd. 1a*

*Effective July 1, 2016*

Transforms the existing Urban Initiative Program into the Minnesota Emerging Entrepreneur Program, turning a metro program into a statewide program and changing the focus from serving low-income metropolitan areas to serving to entrepreneurs who: (1) are women; (2) are entrepreneurs of color; (3) are veterans; (4) have disabilities; or (5) are low-income. Retains the Department of Employment and Economic Development (DEED) as the administrating agency.

#### A. Establishment

Replaces the Urban Initiative Program by establishing the new Minnesota Emerging Entrepreneur Program to “to award grants to nonprofit corporations to fund loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities.”

*Amends Minn. Stat. § 116M.18 by adding a new subd. 1*

#### B. Definitions

Modifies and adds definitions.

##### 1. Low-Income Area

Expands definition of “low-income area” to include the area outside of the metropolitan area, without income limitation.

*Amends Minn. Stat. § 116M.14, subd. 4*

*Note: For the metropolitan area, eligible areas are Minneapolis, St. Paul, and a metropolitan area with an average income of below 80% of median for a four-person family.*

##### 2. Low-Income Person

Defines “low-income person” as a person who has an annual income, adjusted for family size, of not more than 80% of the area median family income for the county of residence.

*Adds Minn. Stat. § 116M.14, subd. 4a*

3. Minority Person

Defines "minority person" as a person belonging to a racial or ethnic minority.  
*Adds Minn. Stat. § 116M.14, subd. 6*

*Note: Cross-references 49 C.F.R. § 23.5, which appears to be an incorrect reference.*

4. Veteran

Defines "veteran" as "a veteran as defined in section 197.447."  
*Adds Minn. Stat. § 116M.14, subd. 8*

*Note: Minnesota Statutes, section 197.447 defines a veteran as: "a citizen of the United States or a resident alien who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, or who has met the minimum active duty requirement as defined by Code of Federal Regulations, title 38, section 3.12a, or who has active military service certified under section 401, Public Law 95-202. The active military service must be certified by the United States secretary of defense as active military service and a discharge under honorable conditions must be issued by the secretary."*

5. Persons with Disabilities

Defines "persons with disabilities" as "an individual with a disability, as defined under the Americans with Disabilities Act, United States Code, title 42, section 12102.

*Adds Minn. Stat. § 116M.14, subd. 9*

*Note: The United States Code, title 42, section 12102 defines "disability" as "a physical or mental impairment that substantially limits one or more major life activities of such individual; a record of such an impairment; or being regarded as having such an impairment."*

**C. Appropriation for Grants to Nonprofits to Make Loans**

Appropriates to DEED: (1) \$500,000 is for the Minnesota emerging entrepreneur program for Fiscal Year 2017; and (2) \$750,000 per year for fiscal year 2018 and thereafter, added to the base.

*Chapter 189, Article 12, Section 2(p)*

**D. Appropriation for Capacity Building Grants**

Appropriates to DEED \$320,000 in Fiscal Year 2017 and \$1,000,000 per in Fiscal Year 2018 and thereafter, added to the base, for capacity building grants to assist nonprofit organizations offering or seeking to offer workforce and economic development programming.

*Chapter 189, Article 12, Section 2(r)*

*Note: This appropriation is broader than for just the MEEP program, open but not limited to MEEP applicants.*

**E. MEEP Board**

1. Membership

Adds the Department of Human Rights and expands: (1) from 8 to 12 the number of members of the public appointed by the Governor; (2) from 6 to 9 the number who must be representatives from minority business enterprises; and (3) from 4 to 6 who may be of one gender. Adds that at least one member must be a representative from: (1) a veteran-owned business; and (2) a business owned by a person with disabilities. Adds requirements that: (1) appointments ensure geographical balance; and (2) at least half of the public members have experience working to address racial income disparities.

*Amends Minn. Stat. § 116M.15, subd. 1*

2. Responsibilities

Requires the MEEP board to: (1) submit a report with policy recommendations to the DEED by February 1 of each year on the status of businesses owned by women, persons of color, veterans, and persons with disabilities; (2) act as a liaison between the agency and nonprofits engaged in small business development support activities; and (3) assist the agency in outreach about the program.

*Adds Minn. Stat. § 116M.15, subd. 1a*

**F. Department of Employment and Economic Development Responsibilities**

Transfers from the board to the DEED to the responsibility to provide informational outreach about the program to the following entities, statewide, that support the development of business enterprises and entrepreneurs: (1) lenders; (2) nonprofits; and (3) low-income communities and communities of color. Requires DEED to report on jobs created by the program.

*Amends Minn. Stat. § 116M.17, subd. 2 (Informational Outreach)*

*Amends Minn. Stat. § 116M.17, subd. 4 (Report on Job Creation)*

**G. Loan Fund Administration**

Transfers from the board to the DEED the responsibility to establish the revolving loan fund. Repurposes the loans to focus on making loans to and creating jobs involving business owned by: (1) persons of color; (2) low-income persons; (3) women; (4) veterans; and (5) people with disabilities.

*Amends Minn. Stat. § 116M.18, subd. 3*

**H. Loan Criteria**

Requires DEED, in evaluating applications, to consider, among other things, whether the nonprofit corporation that will make the loans has a board with expertise in: (1) addressing racial income disparities; (2) creating jobs in low-income areas for low-income and persons of color; and (3) has established relationships with minority communities.

*Amends Minn. Stat. § 116M.18, subd. 2*

**I. Loan Fund Distribution**

Requires nonprofit corporation grant recipients to make loans, to the extent there is sufficient eligible demand, to businesses in the metropolitan area as in the nonmetropolitan area in roughly the same proportion. Allows loans to be made regardless of location after September 30 of each calendar year.

*Adds Minn. Stat. § 116M.18, subd. 1a*

**J. Interest Rate on Loans**

Caps the interest rate that may be charged on MEEP loans at the Wall Street Journal prime rate plus 4%. Allows the nonprofit corporation grantee to charge a loan origination fee not to exceed 1% of the loan value.

*Amends Minn. Stat. § 116M.18, subd. 5*

**K. Microenterprise Loans**

Increases the loan amounts for microenterprise loans from between \$1,000 and \$25,000 to between \$5,000 and \$35,000. Allows loans made in low-income areas to be as much as \$50,000.

*Amends Minn. Stat. § 116M.18, subd. 4a*

**III. WORKFORCE AND AFFORDABLE HOMEOWNERSHIP DEVELOPMENT PROGRAM**

*Chapter 189, Article 7, Sections 5 and 41 (HF 2749)*

*Adds Minn. Stat. § 462A.38*

*Uncodified Sections*

*Effective July 1, 2016*

**A. Establishment**

Establishes within the Minnesota Housing Finance Agency (MHFA) a workforce and affordable homeownership development program to award homeownership development grants to nonprofit organizations, cooperatives, and community land trusts to hold and lease land for the purpose of preserving the affordability of housing on that land for persons and families of low and moderate income.

*Adds Minn. Stat. § 462.38, subd. 1*

*Note: See Minn. Stat. § 462A.31, subd. 1, the Community Land Trust section of Minnesota Housing Finance Agency's chapter of Minnesota law (setting forth the purpose of community land trusts).*

**B. Appropriation**

Appropriates \$750,000 in fiscal year 2017 to the MHFA for the Workforce and Affordable Homeownership Development Program.

*Chapter 189, Article 7, Section 5*

**C. Reach**

Requires MHFA to attempt to make grants in approximately equal amounts to metro and rural Minnesota applicants.

*Adds Minn. Stat. § 462.38, subd. 1*



## CHILD CARE

Prepared by:

Melinda Hugdahl, Staff Attorney

Legal Services Advocacy Project

(651) 842-6907

[mthugdahl@mnlsap.org](mailto:mthugdahl@mnlsap.org)

### I. LEGISLATIVE TASK FORCE ON ACCESS TO AFFORDABLE CHILD CARE

*Chapter 174 (HF 3436/SF 3208)*

*Uncodified Language*

*Effective June 1, 2016 (day after enactment); Sunsets January 15, 2017*

Establishes interim Task Force on Access to Affordable Child Care.

Membership consists of eight legislators – four from the House of Representatives and four from the Senate. The first meeting must be convened by September 1, 2016.

Duties of the task force include:

- Evaluate factors that contribute to provider and family costs for child care;
- Assess the provider shortage in greater Minnesota;
- Evaluate access to culturally appropriate child care;
- Review current training requirements for family child care providers and child care center staff, including licensing training requirements and how those requirements align with Minnesota's Career Lattice and Knowledge and Competency Framework for Early Childhood and School-Aged Care Practitioners;
- Review training availability, including content, cost and delivery methods;
- Consider creating a board of child care, and to employ and advocate for child care providers;
- Review the process of issuing and resolving correction orders issued to providers;
- Consider uniform training requirements for county licensors and their supervisors;
- Review DHS progress to streamline paperwork and reduce redundancies for providers;
- Review the time for CCAP reimbursement to providers; and
- Consider exit interview options with providers who leave child care or choose not to be relicensed.

Legislators on the task force may receive information from the commissioners of human services (DHS) and employment and economic development (DEED), providers, and stakeholders.

Requires the task force, in cooperation with DHS, to submit a report to the legislature and the Governor. The report must provide a summary of information obtained during meetings and any recommendations for legislative or procedural changes affecting access to affordable child care.

## **CONSUMER LAW**

Prepared by:

Ron Elwood, Supervising Attorney

Legal Services Advocacy Project

651-842-6909

[relwood@mnlsap.org](mailto:relwood@mnlsap.org)

### **I. DEBT SETTLEMENT SERVICES REGULATION**

*Chapter 100 (HF 2955)*

*Amends Minn. Stat. § 332A.10, subd. 4*

*Effective August 1, 2016*

Requires that all actions taken by or against debtors using debt management or debt settlement service providers must be taken in Minnesota courts.

### **II. FARMER-LENDER MEDIATION**

*Chapter 184, Section 12 (SF 3018)*

*Uncodified Section*

*Effective August 1, 2016*

Directs the Department of Agriculture to convene an Advisory Task Force, by February 1, 2017, provide a report with recommendations to the Legislature regarding the state's Farmer-Lender Mediation Act. Provides that members include: (1) the Department of Agriculture; (2) a farm advocate responsible for mediating debt; (3) a farm business management instructor; (4) three farmers, at least one of whom has experience with the program; and (5) a representative from: (i) the Minnesota Farm Bureau; (ii) the Minnesota Farmers Union; (iii) the Minnesota Bankers Association; (iv) the Independent Community Bankers of Minnesota; (v) Farm Credit Services - Minnesota State Federation; (vi) the Minnesota Credit Union Network; (vii) Minnesota-South Dakota Equipment Dealers Association; and (viii) the University of Minnesota Extension.

### **III. TAX DEBT SETTLEMENT REGULATION**

*Chapter 100 (HF 2955)*

*Amends Minn. Stat. §§ 332A.02, subd. 8; and 332B.02, subds. 9 and 10*

*Effective August 1, 2016*

Extends the regulatory requirements and protections of the Debt Settlement Law to entities offering to settle tax debts owed to the IRS, the state government, or local governments.

**A. Amends the Definition of “Creditor” to Include Government Entities**

Adds “the federal government, state government, or their political subdivisions, to which delinquent taxes are owed” to the definition of creditor for the purposes of the Debt Settlement Law.

*Amends Minn. Stat. § 332B.02, subd. 9*

**B. Amends the Definition of “Debt Settlement Services” to Include Tax Settlements**

Adds the offering to provide advice or act (or acting) as in intermediary between a taxpayer and the federal or state government or a political subdivision to the definition of what constitutes debt settlement services that are subject to state regulation.

*Amends Minn. Stat. § 332B.02, subd. 9*

**C. Exemption of Government as Subject to Debt Settlement Law**

Adds the federal government to the existing enumerated entities that are exempt from regulation as a debt settlement services provider.

*Amends Minn. Stat. § 332A.02, subd. 8*

## EQUITY

Prepared by:

Ron Elwood, Supervising Attorney

Legal Services Advocacy Project

651-842-6909

[relwood@mnlisap.org](mailto:relwood@mnlisap.org)

### I. EQUITY APPROPRIATIONS

*Chapter 189, Section 12, Section 2 (HF 2749)*

*Uncodified Section*

*Effective July 1, 2016*

In a first-ever “Equity Article” in a Budget/Appropriations Bill – in this case the 2016 Supplemental Budget Bill, which contained all the 2016 appropriations – the Legislature appropriated \$35 million to various agencies and organizations for programs and activities intended to reduce income and racial disparities. Some of the appropriations include:

#### A. Appropriations to the Department of Employment and Economic Development

*Chapter 189, Section 12, Section 2, subd.2*

- Appropriates to the Neighborhood Development Center for small business programs: (1) \$1,500,000 in Fiscal Year 2017 is for grants, of which \$620,000 is for “training, lending, and business services for aspiring business owners, and expansion of services for immigrants in suburban communities”; and (2) \$750,000 per year for Fiscal Year 2018 and thereafter, added to the base;  
*Chapter 189, Section 12, Section 2, subd. 2(a)*
- Appropriates \$2,000,000 in Fiscal Year 2017 and \$1,500,000 in Fiscal Year 2018 and thereafter, added to the base, for a competitive grants to organizations focusing on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color to provide support services for individuals, such as: (1) job training; (2) employment preparation; (3) internships; (4) job assistance to fathers; (5) financial literacy; (6) academic and behavioral interventions for low-performing students; and (7) youth intervention.  
*Chapter 189, Section 12, Section 2, subd. 2(b)*

- Appropriates \$4,250,000 in Fiscal Year 2017 and \$1,000,000 in Fiscal Year 2018, added to the base, for a grant to EMERGE Community Development, in collaboration with community partners, for services targeting Minnesota communities with the highest concentrations of African and African-American joblessness to provide: (1) employment readiness training; (2) credentialed training placement; (3) job placement and retention services; (4) supportive services for hard-to-employ individuals; and (5) a general education development fast track and adult diploma program.

*Chapter 189, Section 12, Section 2, subd. 2(e)*
- Appropriates \$2,500,000 in Fiscal Year 2017 and \$1,175,000 per year in Fiscal Year 2018 and thereafter, added to the base, for a grant to the Metropolitan Economic Development Association (MEDA) for “statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed people, with an emphasis on minority-owned businesses.” Requires that \$1,600,000 is to be used for a revolving loan fund to provide additional minority-owned businesses with access to capital.

*Chapter 189, Section 12, Section 2, subd. 2(f)*
- Appropriates \$1,000,000 in Fiscal Year 2017 to the Minneapolis Foundation “for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living-wage employment.”

*Chapter 189, Section 12, Section 2, subd. 2(g)*
- Appropriates \$2,000,000 in Fiscal Year 2017 and \$1,000,000 per year in Fiscal Year 2018 and thereafter, added to the base for a competitive grant program for grants to organizations providing services to relieve economic disparities in the Southeast Asian community through: (1) workforce recruitment; (2) development; (3) job creation; (4) assistance of smaller organizations to increase capacity; and (5) outreach.

*Chapter 189, Section 12, Section 2, subd. 2(1)*
- Appropriates \$1,500,000 in Fiscal Year 2017 and \$750,000 per year in 2018 and thereafter, added to the base, for a grant to Latino Communities United in Service (CLUES) to “expand culturally tailored programs that address employment and education skill gaps for working parents and underserved youth by providing new job skills training to stimulate higher wages for low-income people, family support systems designed to reduce intergenerational poverty, and youth programming to promote educational advancement and career pathways.”

*Chapter 189, Section 12, Section 2, subd. 2(m)*

- Appropriates \$880,000 in Fiscal Year 2017 and \$250,000 in Fiscal Year 2018 and thereafter, added to the base, for a grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, “to reduce academic disparities for American Indian students and adults.”  
*Chapter 189, Section 12, Section 2, subd. 2(n)*
- Appropriates \$500,000 in Fiscal Year 2017 and \$125,000 per year in Fiscal Year 2018 and thereafter, added to the base, for a grant to the White Earth Nation for the White Earth Nation Integrated Business Development System to provide business assistance with: (1) workforce development; (2) outreach; (3) technical assistance; (4) infrastructure and operational support; (5) financing; and (5) other business development activities  
*Chapter 189, Section 12, Section 2, subd. 2(o)*
- Appropriates \$2,000,000 for Fiscal Year 2017 for grants – half for the metro and half for rural Minnesota to the extent possible -- for community-based organizations serving Somali youth for: (1) positive youth development; (2) community engagement; (3) legal services; and (4) capacity building.  
*Chapter 189, Section 12, Section 2, subd. 2(s)*
- Appropriates \$600,000 in Fiscal Year 2017 for a grant to Ujamaa Place for: (1) job training; (2) employment preparation; (3) internships; (4) education; (5) training in the construction trades; (6) housing; and (7) organizational capacity building.  
*Chapter 189, Section 12, Section 2, subd. 2(t)*
- Appropriates \$2,000,000 in Fiscal Year 2017 and \$1,000,000 in Fiscal Year 2018 and thereafter, added to the base, for a grant Construction Careers Foundation for the construction career pathway initiative for youth, which requires funding prioritizes “individuals and groups that are economically disadvantaged or historically underrepresented in the construction industry, including but not limited to: (1) women; (2) veterans; and (3) members of minority and immigrant groups.”  
*Chapter 189, Section 12, Section 2, subd. 2(x)*

**B. Appropriation to the Minnesota Housing Finance Agency**

*Chapter 189, Section 12, Section 2, subd. 3*

Appropriates \$500,000 to the Minnesota Housing Finance Agency a grant to Build Wealth MN to provide a family stabilization plan program including: (1) program outreach; (2) financial literacy education; and (3) budget and debt counseling.

## II. **EXPLOITED FAMILIES RENTAL ASSISTANCE PILOT PROGRAM**

*Chapter 189, Article 7, Sections 5 and 45 (HF 2749)*

*Uncodified Sections*

*Effective July 1, 2016*

### **A. Establishment**

Establishes within the Housing Trust Fund, operated by the Minnesota Housing Finance Agency (MHFA), an Exploited Families Rental Assistance Pilot Program “to serve individuals or families from “emerging communities” at risk of being homeless and who have been victims of gender-based violence, including but not limited to: (1) domestic violence; (2) sexual assault; (3) trafficking, (4) international abusive marriage; or (5) forced marriage.

*Chapter 189, Article 7, Section 45, subd. 1(a)*

*Note: "Emerging communities" is defined as "communities that are unfamiliar with mainstream government services and that have limited English proficiency.*

### **B. Appropriation**

Appropriates \$500,000 in fiscal year 2017 for the Exploited Families Rental Assistance Pilot Program.

*Chapter 189, Article 7, Section 5(a)*

### **C. Eligible Applicants**

Directs MHFA to award grants to organizations that can provide or partner with an organization that can provide linguistically and culturally appropriate services and that have the capacity to serve individuals or families from emerging communities who have experienced gender-based violence.

*Chapter 189, Article 7, Section 45, subd. 1(a)*

### **D. Pilot Program Parameters**

Requires that pilot program must: (1) provide rental assistance to individuals or families with a minor child; (2) require the participants to pay at least 30% of the participant's income toward the rent; (3) allow the families to choose their own housing, including: (i) single-family homes; (ii) townhomes; and (iii) apartments; and (4) give priority to individuals or families who experience barriers in accessing housing, for factors including: (1) limited English proficiency; (2) lack of positive rental history; (3) employment history; and (4) financial history.

*Chapter 189, Article 7, Section 45, Subd. 1(b)*

### **E. Evaluation**

Requires grant recipients to collect and make available to MHFA aggregate data to assist the agency in the evaluation of the program. Requires MHFA to evaluate the program, including: (1) measuring the number of families served from emerging communities; and (2) analyzing the housing status of the participants.

*Chapter 189, Article 7, Section 45, Subd. 2*

### III. GOOD FOOD ACCESS PROGRAM

*Chapter 189, Article 2, Sections 4 and 5 (HF 2749)*

*(Supplemental Budget Appropriations Bill)*

*Adds Minn. Stat. §§ 17.1017 and 17.1018*

*Effective July 1, 2016*

#### A. Establishment of Program

Directs the Department of Agriculture to establish a Good Food Access Program. Requires the Department of Agriculture to establish and implement the program “in cooperation with public and private partners.” Requires the program to provide state or private grants, loans, or other types of financial and technical assistance for the establishment, construction, expansion of operations, or renovation of grocery stores and small food retailers to fulfill the program’s purpose. Requires annual reports to the Legislature.

*Adds Minn. Stat. § 17.1017, subd. 2(a) (Establishment)*

*Adds Minn. Stat. § 17.1017, subd. 9 (Reporting)*

#### B. Purpose

Specifies that the purpose of the program is “to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities in low-income and moderate-income areas.”

*Adds Minn. Stat. § 17.1017, subd. 2(a)*

#### C. Program Operation

Requires to program to: (1) provide financial support and sustainable public-private projects to open, renovate, or expand the operations of grocery stores and small food retailers; (2) expand access to credit and reduce barriers to investment in underserved communities in low- and moderate-income areas; and (3) provide technical assistance, primarily for small food retailers with demonstrated need, to increase availability and sustainable sales of affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, to underserved communities in low-income and moderate-income areas.

*Adds Minn. Stat. § 17.1017, subd. 2(b)*

#### D. Financing Partners

Authorizes the Department of Agriculture to contract with one or more qualified CDFIs to manage the financing component of the program.

*Adds Minn. Stat. § 17.1017, subd. 4(c)*



**E. Technical Assistance Partners**

Authorizes the Department of Agriculture to contract with one or more qualified Organizations or public agencies with financial or program-related expertise to manage the provision of technical assistance for grantees.

*Adds Minn. Stat. § 17.1017, subd. 4(c)*

**F. Eligible Projects**

1. Projects Eligible for Financing

Requires all projects to be located in an underserved community or serve primarily underserved communities in low-income and moderate-income areas. Provides that eligible projects include: (1) new construction; (2) renovations; (3) expansions of operations; and (4) infrastructure upgrades of grocery stores and small food retailers.

*Adds Minn. Stat. § 17.1017, subd. 5(b)*

2. Projects Eligible for Other Types of Financial Assistance

Provides that projects eligible for grants, technical assistance, and other financial assistance include: (1) feasibility studies; (2) new construction; (3) renovations; (4) expansion of operations; and (5) infrastructure upgrades of small food retailers.

*Adds Minn. Stat. § 17.1017, subd. 5(c)*

**G. Eligible Applicants**

1. Capability

Provides that an applicant may be a nonprofit or for-profit entity and must: (1) demonstrate community engagement in and support for the project; (2) demonstrate the capacity to successfully implement the project; (3) demonstrate a viable plan for long-term sustainability, including the ability to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities in low-income and moderate-income areas; (4) demonstrate the ability to repay the debt, to the extent that the financing requires repayment.

*Adds Minn. Stat. § 17.1017, subd. 6(a)*

2. Agreement to Accept SNAP and Other Assistance Programs

Requires applicants, for a period of at least five years, to: (1) accept Supplemental Nutrition Assistance Program (SNAP) benefits; and (2) apply to accept and accept if approved Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits.

*Adds Minn. Stat. § 17.1017, subd. 6(b)*

3. Allocation of Space in Retail Space  
Requires applicants to allocate at least 30% of their retail space for the sale of affordable, nutritious, and culturally appropriate foods.  
*Adds Minn. Stat. § 17.1017, subd. 6(b)*
4. Hiring and Training Requirements  
Requires applicants to promote the hiring, training, and retention of local or regional residents from low-income and moderate-income areas that reflect area demographics, including communities of color.  
*Adds Minn. Stat. § 17.1017, subd. 6(b)*

#### **H. Good Food Access Advisory Committee**

1. Establishment  
Requires the Department of Agriculture to convene and maintain a Good Food Access Advisory Committee to “encourage public-private, cross-sector collaboration and investment in the account and program and to ensure that the program intent is maintained throughout implementation.”  
*Adds Minn. Stat. § 17.1017, subd. 4(e)*
2. Members  
Names members of the Good Food Access Advisory Committee, including: (1) the Department of Health; (2) the Department of Employment and Economic Development; (3) the Department of Human Services; (4) a representative from the grocery industry; (5) one metro and one rural economic or community development representative; (6) two local government representatives; (7) a representative designated by the Council for Minnesotans of African Heritage; (8) a representative designated by the Minnesota Indian Affairs Council; (9) a representative designated by the Council on Asian Pacific Minnesotans; (10) a representative designated by the Chicano Latino Affairs Council; (11) a representative designated by the Minnesota Farmers Union; (12) a public health expert; (13) a philanthropic representative; (14) a representative from the economic or community developing financial institutions; (15) a representative of the University of Minnesota Regional Sustainable Development Partnerships; (16) two representatives of organizations engaged in addressing food security; (17) a representative of a farmer-led organization; (18) a representative with experience providing small business technical assistance to food retailers; and (19) up to four representatives with economic development, health equity, financial, or other relevant expertise. Requires half of the representatives to reside in or be associated with organizations that serve rural Minnesota.  
*Adds Minn. Stat. § 17.1018, subd. 2*

3. **Duties**  
Specifies that the Advisory committee must advise the Department of Agriculture on: (1) managing the program; (2) establishing program criteria; (3) establishing project eligibility guidelines; (4) establishing application processes and additional selection criteria; (5) establishing annual monitoring and accountability mechanisms; (6) facilitating leveraging of additional public and private investments; and (7) and promoting the program statewide.  
*Adds Minn. Stat. § 17.1018, subd. 3*

- I. **Appropriation**  
Appropriates \$250,000 into the newly-created Good Food Access Account for the program and, to the extent practicable, to leverage other forms of public and private financing or financial assistance for the projects.  
*Adds Minn. Stat. § 17.107, subd. 3 (Use of Funds)*  
*2016 Minn. Laws, Ch. 189, art. 2, sec. 2 (Appropriation)*

#### **IV. EQUITY IN EDUCATION AND JOB CONNECTION GRANT PROGRAM**

*Chapter 189, Article 1, Section 31 (HF 2749)*  
*(Supplemental Budget Appropriations Bill)*  
*Uncodified Section*  
*Effective July 1, 2016*

- A. **General Purpose**  
Directs the Office of Higher Education to award grants to Minnesota state colleges and universities and private organization programs to improve postsecondary attendance, completion, and retention and the obtaining of well-paying jobs for which the postsecondary education provides training by providing services to historically underrepresented college students.
- B. **Specific Activities**  
Specifies that grants are for: (1) academic and nonacademic counseling or advising; (2) mentoring in education and career opportunities; (3) structured tutoring; (4) career awareness and exploration including internships and post-graduation job placements; (4) orientation to college life; (5) financial aid counseling; (6) academic instruction programs in core curricular areas of mathematics and language arts; (7) supplemental instruction programs for college courses with high failure and withdrawal rates; and (8) co-requisite college course models for delivery of academic support.

## C. Outcome Reports

1. Reports to Office of Higher Education  
Grant recipients are required to annually submit a report, to the extent possible broken down by race and ethnicity, to the Office of Higher Education including: (1) number of students served; (2) course taking and grade point average of participating students; (3) persistence and retention rates of participating students; (4) postsecondary graduation rates of participating students; (5) the number of students who required postsecondary academic remediation and number of remedial courses for each of those students and in the aggregate; and (6) jobs and wage rates of students after postsecondary graduation.
2. Report to the Legislature  
Requires the Office of Higher Education, by January 15 of each year through 2021, to submit a report to the Legislature including information about: (1) the students served; (2) the organizations providing services; (3) program activities; (4) program goals and outcomes; and (5) program revenue sources and funding levels.

## V. MINNESOTA EMERGING ENTREPRENEUR PROGRAM (MEEP)

*Chapter 189, Article 7, Sections 24 – 37, and Article 12, Section 2 (HF 2749)*

*Amends Minn. Stat. §§ 116M.14, subds. 2 and 4; 116M.15, subd. 1;*

*116M.17, subds. 2, 4; and 116M.18*

*Adds Minn. Stat. §§ 116M.14, subds. 3a, 4a, 4b, 6, 7, 8, 9; and 116M.15, subd. 1a*

*Effective July 1, 2016*

Transforms the existing Urban Initiative Program into the Minnesota Emerging Entrepreneur Program, turning a metro program into a statewide program and changing the focus from serving low-income metropolitan areas to serving to entrepreneurs who: (1) are women; (2) are entrepreneurs of color; (3) are veterans; (4) have disabilities; or (5) are low-income. Retains the Department of Employment and Economic Development (DEED) as the administrating agency.

### A. Establishment

Replaces the Urban Initiative Program by establishing the new Minnesota Emerging Entrepreneur Program to “to award grants to nonprofit corporations to fund loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities.”

*Amends Minn. Stat. § 116M.18 by adding a new subd. 1*

## B. Definitions

Modifies and adds definitions.

1. Low-Income Area

Expands definition of “low-income area” to include the area outside of the metropolitan area, without income limitation.

*Amends Minn. Stat. § 116M.14, subd. 4*

*Note: For the metropolitan area, eligible areas are Minneapolis, St. Paul, and a metropolitan area with an average income of below 80% of median for a four-person family.*

2. Low-Income Person

Defines “low-income person” as a person who has an annual income, adjusted for family size, of not more than 80% of the area median family income for the county of residence.

*Adds Minn. Stat. § 116M.14, subd. 4a*

3. Minority Person

Defines “minority person” as a person belonging to a racial or ethnic minority.

*Adds Minn. Stat. § 116M.14, subd. 6*

*Note: Cross-references 49 C.F.R. § 23.5, which appears to be an incorrect reference.*

4. Veteran

Defines “veteran” as “a veteran as defined in section 197.447.”

*Adds Minn. Stat. § 116M.14, subd. 8*

*Note: Minnesota Statutes, section 197.447 defines a veteran as: “a citizen of the United States or a resident alien who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, or who has met the minimum active duty requirement as defined by Code of Federal Regulations, title 38, section 3.12a, or who has active military service certified under section 401, Public Law 95-202. The active military service must be certified by the United States secretary of defense as active military service and a discharge under honorable conditions must be issued by the secretary.”*

5. Persons with Disabilities

Defines “persons with disabilities” as “an individual with a disability, as defined under the Americans with Disabilities Act, United States Code, title 42, section 12102.

*Adds Minn. Stat. § 116M.14, subd. 9*

*Note: The United States Code, title 42, section 12102 defines “disability” as “a physical or mental impairment that substantially limits one or more major life activities of such individual; a record of such an impairment; or being regarded as having such an impairment.*

**C. Appropriation for Grants to Nonprofits to Make Loans**

Appropriates to DEED: (1) \$500,000 is for the Minnesota emerging entrepreneur program for Fiscal Year 2017; and (2) \$750,000 per year for fiscal year 2018 and thereafter, added to the base.

*Chapter 189, Article 12, Section 2(p)*

**D. Appropriation for Capacity Building Grants**

Appropriates to DEED \$320,000 in Fiscal Year 2017 and \$1,000,000 in Fiscal Year 2018 and thereafter, added to the base, for capacity building grants to assist nonprofit organizations offering or seeking to offer workforce and economic development programming.

*Chapter 189, Article 12, Section 2(r)*

*Note: This appropriation is broader than for just the MEEP program, open but not limited to MEEP applicants.*

**E. MEEP Board**

1. Membership

Adds the Department of Human Rights and expands: (1) from 8 to 12 the number of members of the public appointed by the Governor; (2) from 6 to 9 the number who must be representatives from minority business enterprises; and (3) from 4 to 6 who may be of one gender. Adds that at least one member must be a representative from: (1) a veteran-owned business; and (2) a business owned by a person with disabilities. Adds requirements that: (1) appointments ensure geographical balance; and (2) at least half of the public members have experience working to address racial income disparities.

*Amends Minn. Stat. § 116M.15, subd. 1*

2. **Responsibilities**  
Requires the MEEP board to: (1) submit a report with policy recommendations to the DEED by February 1 of each year on the status of businesses owned by women, persons of color, veterans, and persons with disabilities; (2) act as a liaison between the agency and nonprofits engaged in small business development support activities; and (3) assist the agency in outreach about the program.  
*Adds Minn. Stat. § 116M.15, subd. 1a*

- F. **Department of Employment and Economic Development Responsibilities**  
Transfers from the board to the DEED to the responsibility to provide informational outreach about the program to the following entities, statewide, that support the development of business enterprises and entrepreneurs: (1) lenders; (2) nonprofits; and (3) low-income communities and communities of color. Requires DEED to report on jobs created by the program.  
*Amends Minn. Stat. § 116M.17, subd. 2 (Informational Outreach)*  
*Amends Minn. Stat. § 116M.17, subd. 4 (Report on Job Creation)*
- G. **Loan Fund Administration**  
Transfers from the board to the DEED the responsibility to establish the revolving loan fund. Repurposes the loans to focus on making loans to and creating jobs involving business owned by: (1) persons of color; (2) low-income persons; (3) women; (4) veterans; and (5) people with disabilities.  
*Amends Minn. Stat. § 116M.18, subd. 3*
- H. **Loan Criteria**  
Requires DEED, in evaluating applications, to consider, among other things, whether the nonprofit corporation that will make the loans has a board with expertise in: (1) addressing racial income disparities; (2) creating jobs in low-income areas for low-income and persons of color; and (3) has established relationships with minority communities.  
*Amends Minn. Stat. § 116M.18, subd. 2*
- I. **Loan Fund Distribution**  
Requires nonprofit corporation grant recipients to make loans, to the extent there is sufficient eligible demand, to businesses in the metropolitan area as in the nonmetropolitan area in roughly the same proportion. Allows loans to be made regardless of location after September 30 of each calendar year.  
*Adds Minn. Stat. § 116M.18, subd. 1a*

**J. Interest Rate on Loans**

Caps the interest rate that may be charged on MEEP loans at the Wall Street Journal prime rate plus 4%. Allows the nonprofit corporation grantee to charge a loan origination fee not to exceed 1% of the loan value.

*Amends Minn. Stat. § 116M.18, subd. 5*

**K. Microenterprise Loans**

Increases the loan amounts for microenterprise loans from between \$1,000 and \$25,000 to between \$5,000 and \$35,000. Allows loans made in low-income areas to be as much as \$50,000.

*Amends Minn. Stat. § 116M.18, subd. 4a*

**VI. ST. CLOUD HUMAN RIGHTS OFFICE**

*Chapter 189, Article 4, Section 5 (HF 2749)*

*Uncodified Section*

*Effective July 1, 2016*

Appropriates \$180,000 for the opening of a St. Cloud Office of the Minnesota Department of Human Rights.

**VII. STATE PROCUREMENT OF GOODS AND SERVICES FROM SMALL BUSINESSES LOCATED IN ECONOMICALLY DISADVANTAGED AREAS**

*Chapter 189, Article 12, Section 6 (HF 2749)*

*Amends Minn. Stat. § 16C.16, subd. 7*

*Effective July 1, 2016*

**A. Increase in Authority to Contract without Competitive Bid Process**

Modifies state procurement statutes to authorize the Department of Administration to contract for goods, services, or construction directly to a small business located in an economically disadvantaged area without going through a competitive solicitation process up to a total contract award value, including extension options, of \$25,000.

*Amends Minn. Stat. § 16C.16, subd. 7 by adding subd. 7(b)*

**B. Sole Source Contract**

Authorizes Department of Administration to designate a purchase of goods or services for award only to a small business located in an economically disadvantaged area if at least three small businesses located in the area are likely to respond to a solicitation.

*Amends Minn. Stat. § 16C.16, subd. 7 by adding subd. 7(c)*



**C. Subcontracting Goals**

Authorizes Department of Administration, as a condition of awarding a construction contract or approving a contract for professional or technical services, to set goals that require, and establish financial incentives for, the prime contractor to subcontract a portion of the contract to a small business located in an economically disadvantaged area.

**VIII. PATIENTS' BILL OF RIGHTS – RIGHT TO DESIGNATE CAREGIVER**

*Chapter 103 (SF 107)*

*Adds Minn. Stat. § 144.6522*

*Effective January 1, 2017*

Requires hospitals to allow patients to designate a caregiver and, among other things, to issue aftercare instructions to the caregiver that must include a video demonstration that is: (1) culturally competent; and (2) consistent with legal language access requirements.

**IX. WOMEN AND HIGH-WAGE, HIGH-DEMAND, NONTRADITIONAL JOBS GRANT PROGRAM**

*Chapter 189, Article 12, Section 10 (HF 2749)*

*Amends Minn. Stat. § 116L.99, subd. 7*

*Effective July 1, 2016*

Adds that grant funds under this Workforce Development program, administered by the Department of Employment and Economic Development, may be used for: (1) expanded services to women; and (2) recruitment, participation, and support of girls of color in approved training programs or a valid apprenticeship program. Adds that the Department of Employment and Economic Development must report to the Legislature by January 15, 2019 and each January 15 thereafter on the use of the funds disaggregated by: (1) race; (2) cultural groups; (3) family income; (4) age; (5) geographical location; (6) migrant or foreign immigrant status; (7) primary language, whether the participant is an English learner; (8) disability; and (9) status of homelessness.

## FAMILY LAW AND DOMESTIC VIOLENCE

Prepared by:

Melinda Hugdahl, Staff Attorney

Legal Services Advocacy Project

(651) 842-6907

[mthugdahl@mnlsap.org](mailto:mthugdahl@mnlsap.org)

### I. CHILD SUPPORT – PARENTING EXPENSE ADJUSTMENT

*Chapter 189, Article 15, Sections 16-21 (HF 2749/SF 2356)*

*Amends Minn. Stat. §§ 518.175, subd. 5; 518A.26, subd. 14; 518A.34, 518A.35, subd. 1; 518A.36, and 518A.39, subd. 2*

*Effective August 1, 2018*

Significantly amends existing law to: (1) replace the 12% parenting expense adjustment (PEA) and equal shared parenting time with a mathematical adjustment formula, which effectively smooths the existing child support “cliff” into a curve; (2) establishes a PEA method for split custody cases; and (3) makes conforming changes to existing law to make the new PEA formula work with existing law and avoid unintended consequences.

#### A. Parenting Expense Adjustment (PEA) Formula

Deletes existing 12% PEA and the equal parenting calculation (used at 45.1% parenting time), and inserts a new mathematical formula that applies across all levels of parenting time. To calculate the PEA, the number of court-ordered overnights for each parent, averaged over a two-year period, must be known.

Adds the following formula:

Parent A is the parent with the least court-ordered overnights with the child.

Parent B is the parent with more court-ordered overnights with the child.

(1) raise to the power of three the approximate number of annual overnights the child or children will likely spend with parent A;

(2) raise to the power of three the approximate number of annual overnights the child or children will likely spend with parent B;

(3) multiply the result of clause (1) times parent B's share of the combined basic support obligation as determined in section 518A.34, paragraph (b), clause (5);

(4) multiply the result of clause (2) times parent A's share of the combined basic support obligation as determined in section 518A.34, paragraph (b), clause (5);

(5) subtract the result of clause (4) from the result of clause (3); and

(6) divide the result of clause (5) by the sum of clauses (1) and (2).

If the result is a negative number, parent A is the obligor, the negative number becomes its positive equivalent, and the result is the basic support obligation. If the result is a positive number, parent B is the obligor and the result is the basic support obligation.

Effectively, the formula looks at each parent's time with the child, and each parent's share of the combined basic support obligation (the parent's share of the number from the "chart" or "grid.") As a result, the PEA accounts for each parent's share of expenses and where the child spends time, and shifts the expenses accordingly.

*Note: This formula will be incorporated into the online child support calculator. As a result, while support can potentially be calculated manually, the calculator will automatically calculate this outcome.*

*Article 15, Section 20*

*Amends Minn. Stat. § 518A.36 (including deletion of equal parenting time calculation)*

*Effective August 1, 2018*

**B. Parenting Expense Adjustment – Definition**

Adds clothing to the list of expenses that are presumed to be included in the parenting expense adjustment.

*Article 15, Section 20*

*Amends Minn. Stat. § 518A.36*

*Effective August 1, 2018*

**C. Parenting Expense Adjustment - Definition of Obligor**

Amends definition of obligor so that a parent with more than 55% parenting time has a presumptive zero basic support obligation. To overcome the presumption, the party seeking to overcome the presumption must show, and the court must consider:

- (1) significant income disparity, which can include potential income;
- (2) the child's benefit and detriment and the ability of each parent to meet the child's needs;  
and
- (3) whether applying the presumption produces an unjust or inappropriate result.

The zero obligation presumption doesn't change any arrears that may be owed. In addition, the presumption doesn't apply to public assistance reimbursement cases brought under Minn. Stat. § 256.87.

*Note: The public assistance exclusion relates to cases where the children are living with someone other than the custodial parent and on public assistance, but living there without a court order for custody. (i.e. ROP father has children living with him and goes on MFIP)*

*Article 15, Section 17*

*Amends Minn. Stat. § 518A.26, subd. 14*

*Effective August 1, 2018*

D. Parenting Expense Adjustment – Application When Child Not Living with Custodial Parent /Public Assistance Reimbursement

If a child is not living with either parent, clarifies that the parenting expense adjustment does not apply unless the parent from whom support is sought has court-ordered parenting time. This applies whether the action is for public assistance reimbursement or child support in a third party custody case.

If a child is living with either parent and public assistance reimbursement is sought under Minn. Stat. § 256.87, the parenting expense adjustment only applies if there is court-ordered parenting time for the parent against whom reimbursement or support is sought. If there is no court ordered parenting time, the obligation using the guideline steps for only the obligor parent's income prior to application of the parenting expense adjustment.

*Article 15, Section 19*

*Amends Minn. Stat. § 518A.35, subd. 1*

*Effective August 1, 2018*

*See also provisions regarding custodial parent zero obligation presumption in section above.*

E. Split Custody

Establishes parenting expense adjustment calculation for split custody arrangements, where there are multiple joint children, and at least one child resides at least 50% of the time with each parent.

Basic support is calculated for as follows:

- Determine each parent's basic support obligation for each child, including application of the parenting expense adjustment for each parent's parenting time with that child;
  - Each parent's basic support obligation must be included in the order;
- If the calculation results in each parent owing the other, offset the lower obligation from the higher – and that is the basic support obligation to be paid.
  - Cost of living adjustments will be calculated from each parent's obligation prior to the offset.
- If each parent pays all child care expenses for at least one joint child:
- Child care support is calculated for each child under existing law. *See Minn. Stat. § 518A.40.*
  - Each parent's obligation must be included in the order.
- If parents owe child care support to each other, the lower obligation offsets the higher obligation, and the resulting amount is the child care support obligation paid.
- If a parent pays all medical and/or dental insurance expenses for at least one joint child:
  - Calculate each parent's medical support obligation for each child under existing law; *See Minn. Stat. § 518A.41;*
- Each parent's obligation must be included in the order;
  - If each parent owes medical support to the other, or

- Offset the lower obligation from the higher obligation. The result is the medical support obligation.
- This does not apply to unreimbursed/uninsured medical and dental expenses, which are established and calculated under existing law. See Minn. Stat. § 518A.41

*Article 15, Section 18*

*Amends Minn. Stat. § 518A.34*

*Effective August 1, 2018*

F. Modification of Child Support

Establishes presumption that prior method of determining parenting expense adjustment continues if (1) modification is not based upon an underlying change in parenting time; and (2) number of overnights or overnight equivalents cannot be determined from underlying order that prior parenting expense adjustment formulas.

Preserves existing law methodology (prior to 8/1/16) for determining parenting expense adjustment for these cases. This is only used if the prior method continues, i.e. “the parties agree to reasonable parenting time and to apply the 12% adjustment.”

*Article 15, Section 21*

*Amends Minn. Stat. § 518A.39, subd. 2*

*Effective August 1, 2018*

G. Modification of Child Support – Hardship

Amends existing law enacted with 2005 income shares implementation that permits court discretion to order a modified child support amount less than the full change from one calculation method to another. The amendment keeps the same hardship discretion, but applies it to the first modification after implementation of amended child support guidelines.

Specifically adds that “hardship” includes, but is not limited to eligibility under Minnesota Statutes, Chapter 256J (MFIP).

*Note: This section adds MFIP eligibility as a specific hardship basis. However, in running numerous calculations, the working group could not find a scenario where a parent became newly eligible with these changes. However, because of the number of possible outcomes, this language was included to prevent unintended outcomes.*

*Article 15, Section 21*

*Amends Minn. Stat. § 518A.39, subd. 2*

*Effective August 1, 2018*

#### H. Modification of Parenting Time

Establishes corresponding basis for modification of parenting time order if the amount of parenting time can't be determined from the underlying order. Modification is permitted to determine the number of overnights or overnight equivalents with each parent can be determined – it is not a basis to change the parenting time schedule, which remains a separate basis for modification.

Establishes the phrase “overnight equivalents” to define the existing definition of overnight alternatives used in Minn. Stat. § 518A.36, subd. 1. In other words, it's creating the phrase “overnight equivalents” as a term of art from existing law so that a consistent phrase can be used throughout the statutes.

*Article 15, Section 16*

*Amends Minn. Stat. § 518.175, subd. 5*

*Effective August 1, 2018*

## II. **SPOUSAL MAINTENANCE – COHABITATION**

*Chapter 132 (HF 1333/SF 3420)*

*Adds Minn. Stat. § 518.552, subd. 6*

*Effective August 1, 2016, and applies to modification motions brought on or after that date*

#### A. Basis

Codifies basis for modification of spousal maintenance obligation upon cohabitation of the spousal maintenance obligee. Modification is pursuant to the existing spousal maintenance modification statute that requires a showing that the existing order is unreasonable and unfair. (See Minn. Stat. § 518A.39, subd. 2)

A modification may consist of reduction, suspension, reservation or termination of maintenance.

#### B. Factors

In considering a modification motion based upon cohabitation, the court must consider:

- (1) whether the obligee would marry the cohabitant but for the maintenance;
- (2) the obligee's economic benefit derived from the cohabitation;
- (3) the length of cohabitation and the likely future duration of the cohabitation; and
- (4) the economic impact of the obligee if maintenance is modified and the cohabitation ends.

### C. Prohibitions/limitations

Prohibits modification solely on cohabitation if the cohabitant is:

- An ancestor or descendant (i.e. parent/child)
- Sibling;
- First cousin;
- An aunt or uncle, niece or nephew

*Note: These are the bases of prohibited marriage, and apply whether the relationship is biological, step-relationship or adoption, except as to civil marriages recognized under existing law. See Minn. Stat. §517.03, subd. 2, clauses (2) and (3).*

*Aligns limits and prohibitions with parties' private agreements (Karon waivers). See Minn. Stat. § 518.552, subd. 5.*

### D. Timing

Prohibits motions for modification based upon cohabitation for one year from entry of a judgment and decree or order for legal separation ordering spousal maintenance unless (1) the parties agree in writing; or (2) the court finds that failure to proceed would cause extreme hardship to one of the parties.

## III. **ORDER FOR PROTECTION – EXTENSION/SUBSEQUENT ORDER**

*Chapter 141 (HF 2552/SF 2567)*

*Amends Minn. Stat. § 518B.01, subds. 6a, 11 and 18*

*Effective August 1, 2016*

Eliminates mandatory hearing requirement for extension or subsequent Order for Protection when relief is limited to existing relief available in an ex parte Order for Protection (See Minn. Stat. § 518B.01, subd. 7(a)), **unless** the requested relief is declined by the court or the respondent requests a hearing.

Makes corresponding conforming changes. See Minn. Stat. § 518B.01, subd. 11 (modifications) and Minn. Stat. § 518B.01, subd. 18 (notices)

## IV. **ORDER FOR PROTECTION – RESPONDENT FILING FEES**

*Laws 2016, Chapter 176 (HF 2553/SF 2568)*

*Amends Minn. Stat. §518B.01, subd. 3a*

*Effective August 1, 2016*

Waives filing fees for respondents in Order for Protection cases, making them parallel to petitioners, who currently do not pay filing fees. Makes corresponding change eliminating court's ability to order respondent to contribute to petitioner's filing fees and/or service of process fees – both of which are already waived under existing law.

**V. ALTERNATIVE DISPUTE RESOLUTION (ADR) – NOTICE**

*Chapter 167*

*Amends Minn. Stat. § 518.168*

*Effective August 1, 2016, and applies to cases filed on or after that date*

Requires State Court Administrator to create, and the courts to use, an informational sheet of paper explaining:

- In cases where ADR is required under General Rules of Practice, Rule 310.01, that the parties can choose ADR methods including mediation, arbitration and other methods;
- How mediation and other forms of family law ADR work;
- That the parties can choose which method of ADR to use; and
- The court administrator can provide additional ADR information.

Requires the informational form to be distributed to each party present at the first hearing or initial appearance.

**VI. MARRIAGE LICENSE – WAITING PERIOD**

*Chapter 137 (HF 2294/SF 1753)*

*Amends Minn. Stat. § 517.08, subd. 1b*

*Effective August 1, 2016*

Eliminates five-day waiting period, and corresponding waiver, for issuance of a marriage license.

**VII. CHILD SUPPORT – TASK FORCE**

*Chapter 189, Article 15, Section 22 (HF 2749/SF 2356)*

*Creates Minn. Stat. § 518A.79*

*Effective June 2, 2016 (day following enactment)*

*Sunsets June 30, 2019, unless extended by the legislature*

Establishes child support task force to advise the Department of Human Services (DHS) on matters relevant to maintaining effective and efficient child support guidelines that best serve children and take into account the changing dynamics of families.

The task force consists of members from (one member each unless otherwise noted):

- Four legislators;
- Minnesota County Attorney’s Association;
- DHS Child Support Division;
- Tribal IV-D (child support) Program;
- Minnesota Family Support and Recovery Council;
- Judicial officer;
- Legal Aid;
- Minnesota State Bar Association; and



- Four parents (which must be equally balanced between custodial/noncustodial – and at least one from each category must represent diverse cultural and social communities).

The task force must meet at least three times per year, with one meeting devoted to public input. The chair of the task force must also consult at least annually with the DHS Cultural and Ethnic Communities Leadership Council on issues under consideration by the task force.

Priority issues for the task force to review and make recommendations are:

- Self-support reserve for both custodial and noncustodial parents;
- Simultaneous child support orders;
- Obligor with orders in multiple counties;
- Parents with multiple families;
- Non-nuclear families, such as grandparents, relatives, and foster parents;
- Modification standards; and
- Updating the basic support guideline under Minn. Stat. §518A.35, subd. 2 (the “chart” or “grid”).

Other general duties include, but are not limited to:

- Advising DHS;
- Reviewing implementation of the 2016 parenting expense adjustment;
- Preparing and advising, at least every four years, on the development of the DHS quadrennial review report;
- Collecting and studying information and data related to child support orders; and
- Comprehensive review of the guidelines, economic conditions and other matters relevant to “maintaining effective and efficient child support guidelines.”

Requires DHS to prepare, and submit to the legislature, a biennial report summarizing the task force’s activities, issues identified, methods taken to address issues, and recommendations for legislative action, if needed. The first report is due February 15, 2018.

## **FARM LAW**

Prepared by:

Ron Elwood, Supervising Attorney

Legal Services Advocacy Project

651-842-6909

[relwood@mnlsap.org](mailto:relwood@mnlsap.org)

### **I. FARMER-LENDER MEDIATION**

*Chapter 189, Article 2, Section 29 (HF 2749)*

*Chapter 184, Section 12 (SF 3018)*

*Uncodified Sections*

*Effective May 25, 2016*

Directs the Department of Agriculture to convene an Advisory Task Force, by February 1, 2017, provide a report with recommendations to the Legislature regarding the state's Farmer-Lender Mediation Act. Provides that members include: (1) the Department of Agriculture; (2) a farm advocate responsible for mediating debt; (3) a farm business management instructor; (4) three farmers, at least one of whom has experience with the program; and (5) a representative from: (i) the Minnesota Farm Bureau; (ii) the Minnesota Farmers Union; (iii) the Minnesota Bankers Association; (iv) the Independent Community Bankers of Minnesota; (v) Farm Credit Services - Minnesota State Federation; (vi) the Minnesota Credit Union Network; (vii) Minnesota-South Dakota Equipment Dealers Association; and (viii) the University of Minnesota Extension.

## HEALTH LAW

Prepared by:  
Ron Elwood  
Supervising Attorney  
Legal Services Advocacy Project  
651-842-6909  
[relwood@mnlisap.org](mailto:relwood@mnlisap.org)

and

Anne Henry  
Staff Attorney  
Minnesota Disability Law Center  
612-746-3754  
[ahenry@mylegalaid.org](mailto:ahenry@mylegalaid.org)

### MEDICAL ASSISTANCE

#### I. ADDITIONS TO COVERED SERVICES

*Chapter 189, Article 19, Sections 9 and 13 (HF 2749)*

*Amends Minn. Stat. § 256B.06, subd. 4*

*Adds Minn. Stat. § 256B.0625, subd. 60a*

*Various Effective Dates*

1. Emergency Medical Assistance (EMA)

Makes kidney transplants eligible services under EMA if the patient: (1) has been diagnosed with end stage renal disease; (2) is currently receiving dialysis services; and (3) is a potential candidate for a kidney transplant.

*Amends Minn. Stat. § 256B.06, subd. 4*

*Effective July 1, 2016*

2. Community Emergency Medical Technician (CEMT) Services

Adds MA coverage for services provided by a certified CEMT, who may provide post-hospital discharge visit.

*Adds Minn. Stat. § 256B.0625, subd. 60a*

*Effective January 1, 2017 or upon federal approval, whichever is later.*

## II. SPOUSAL ANTI-IMPOVERISHMENT CHANGES

*Chapter 189, Article 19, Sections 4 - 8 (HF 2749)*

*Amends Minn. Stat. § 256B.059, subds. 1, 2, 3 and 5*

*Adds Minn. Stat. § 256B.059, subd. 6*

*Repeals Minn. Stat. § 256B.059, subd. 1a*

*Various Effective Dates*

### A. Community Spouse Asset Allowance Increase

Simplifies the asset eligibility process for married persons who need HCBS waivers, Community First Services and Supports (CFSS) or nursing facility services by increasing the amount their unassisted (community) spouse can retain up to the allowed federal maximum of \$119,220. Appropriates \$4.63 million for 2017 and \$28.459 million for 2018-19.

*Amends Minn. Stat. § 256B.059, subd. 3*

*Effective June 1, 2016*

### B. Determination of Assets for Married Persons Applying for HCBS Waivers, Community First Services and Supports (CFSS) or Institutional Services

Provides that assets considered available for the spouse seeking services include all the couple's assets minus the community spouse asset allowance of \$119,220 plus \$3,000 for the spouse applying for services. If the couple has **no more** than that amount, the person seeking services will **meet the asset eligibility requirements.**

*Amends Minn. Stat. § 256B.059, subd. 3*

*Effective June 1, 2016*

### C. Asset Hardship Exception for Retirement and College Savings Accounts

Provides an additional hardship exception to allow a community spouse to retain assets in excess of the maximum – as provided in Minn. Stat. § 256B.059, subd. 3 (*See A.* above) – provided the assets are in the form of tax deferred retirement accounts and college savings accounts for a child under age 25. The retirement and college savings account assets are excluded from the assets attributed to the spouse seeking eligibility for services.

*Amends Minn. Stat. § 256B.059, subd. 3*

*Effective June 1, 2016, provided that DHS is instructed to cease implementation of these changes if the federal government denies the state plan amendment*

*Note: Protected retirement assets are defined as only retirement assets held by the community spouse in a tax-deferred retirement account, including: (1) a defined benefit plan; (2) a defined contribution plan; an employer-sponsored individual retirement arrangement; or (4) an individually purchased individual retirement arrangement. Protected education funds are defined as "only funds in a plan designated under section 529 of the Internal Revenue Code on behalf of a child of either or both spouses who is under 25 years of age."*

**D. Temporary Application of Spousal Anti-Impoverishment (SAI) Rules for Disability HCBS Waiver and Community First Services and Supports (CFSS) Participants**

The changes in the spousal anti-impoverishment rules for the under 65 disability HCBS waiver and CFSS participants are effective on various dates until the federal government changes federal policy on imposing the SAI rules on those under age 65 eligible for HCBS waiver and CFSS programs.

*Adds Minn. Stat. § 256B.059, subd. 6*

*Effective:*

*June 1, 2016 for institutionalized spouses applying for home and community-based waivers on or after June 1, 2016 and expire upon notification to DHS that the Center for Medicare and Medicaid Services (CMS) approved the continuation of the deeming rules in effect on May 31, 2016, for the treatment of the assets of a community spouse.*

*March 1, 2017 for institutionalized spouses enrolled in home and community-based waivers before June 1, 2016 and expire upon notification to DHS that the Center for Medicare and Medicaid Services (CMS) approved the continuation of the deeming rules in effect on May 31, 2016, for the treatment of the assets of a community spouse.*

*June 1, 2016 for institutionalized spouses applying for Community First Services and Supports services.*

**III. INDIAN HEALTH SERVICES**

*Chapter 189, Article 19, Section 11 (HF 2749)*

*Adds Minn. Stat. § section 256B.0625, subd. 30(j)*

*Effective July 1, 2016*

Directs DHS to seek a federal waiver to obtain federal financial participation at the 100% federal match available to facilities of an Indian Health Service or tribal organization.

**IV. MEDICAID LIENS AGAINST ESTATES**

*Chapter 189, Article 19, Sections 15, 16, and 30 (HF 2749)*

*Amends Minn. Stat. § 256B.15, subds. 1a and 2*

*Uncodified Section*

*Effective upon federal approval and applies retroactively to services rendered on or after January 1, 2014, and to claims not paid prior to July 1, 2016.*

**A. Limit on Liens**

Limits liens to the total amount of medical assistance provided where the person: (1) resided in a medical institution for six months or longer; (2) received MA services; and (3) at the later of institutionalization or application for MA, could not have reasonably been expected to be discharged and returned home. Affects liens against estates of recipients 55 years of age or older of MA services provided on or after January 1, 2014. Includes: (1) nursing facility services; (2) HCBS services; or (3) related hospital and prescription drug benefits.

*Amends Minn. Stat. § 256B.15, subds. 1a and 2*

**B. Notice**

Directs DHS to provide notice of the new limits on MA liens against estates to “all individuals that received medical assistance non-long-term care services on or after July 1, 2014.”

*Uncodified Section*

## MINNESOTA CARE

### **I. DEFINITIONAL CHANGES**

*Chapter 189, Article 19, Sections 20 and 21 (HF 2749)*  
*Amends Minn. Stat. § 256L.01, subds. 1a and 5*  
*Various Effective Dates*

#### **A. “Child”**

Eliminates from the definition an: (1) unborn child of a pregnant woman; (2) emancipated minor; and (3) emancipated minor's spouse.

*Amends Minn. Stat. § 256L.01, subd. 1a*  
*Effective May 25, 2016*

#### **B. “Income”**

Changes the meaning from the “projected annual income for the applicable tax year” to “current income, or if income fluctuates month to month, the income for the 12-month eligibility period.”

*Amends Minn. Stat. § 256L.01, subd. 5*  
*Effective July 1, 2017*

### **II. DOCUMENTATION OF STATUS AS AMERICAN INDIAN FOR MNCARE FEE WAIVER**

*Chapter 189, Article 19, Section 29 (HF 2749)*  
*Amends Minn. Stat. § 256L.15, subd. 1*  
*Effective May 25, 2016*

Modifies requirements to claim American Indian status for purposes of a MinnesotaCare fee waiver. Requires American Indians “indicate” (as opposed to “document”) their status. Directs DHS to “accept attestation of an individual's status as an American Indian as verification until the United States Department of Health and Human Services approves an electronic data source for this purpose.”

### **III. REDETERMINATION OF ELIGIBILITY**

*Chapter 189, Article 19, Section 25 (HF 2749)*  
*Amends Minn. Stat. § 256L.05, subd. 3a*  
*Effective July 1, 2017*

Provides that: (1) an enrollee's eligibility must be redetermined on an annual basis, in accordance with federal rules; (2) the 12-month eligibility period begins the month of application; and (3) beginning July 1, 2017, DHS must adjust the eligibility period for enrollees to implement renewals throughout the year according to guidance from the Centers for Medicare and Medicaid Services.

**IV. NOTICE OF DISENROLLMENT**

*Chapter 189, Article 19, Section 27 (HF 2749)  
Amends Minn. Stat. § 256L.07, subd. 1  
Effective May 25, 2016*

Changes the timing of disenrollment for enrollees whose income increases beyond 200% of the Federal Poverty Guidelines, providing that coverage terminates the last day of calendar month in which DHS “sends advance notice” of ineligibility pursuant to the ACA.

*Note: Prior to this change, coverage terminated the last day of the calendar month following the month in which DHS “determines” ineligibility.*

**V. FORGIVENESS OF CERTAIN PAST DUE PREMIUMS**

*Chapter 189, Article 19, Section 26 (HF 2749)  
Adds Minn. Stat. § 256L.06, subd. 3(e)  
Effective May 25, 2016*

Requires DHS to forgive the past-due premium for persons disenrolled nonpayment of premiums prior to issuing a premium invoice for the fourth month following disenrollment.

**VI. PROVISION OF SOCIAL SECURITY NUMBERS**

*Chapter 189, Article 19, Section 22 (HF 2749)  
Amends Minn. Stat. § 256L.04, subd. 1a  
Effective May 25, 2016*

Replaces exemptions with a requirement that Social Security numbers must be required from applicants if the federal rules require their provision by an applicant.

*Note: Under the federal rules, Social Security numbers: (1) must be required of “an applicant who has a Social Security number; and (2) may not require an individual who is not seeking coverage for himself or herself to provide a Social Security number. See 45 C.F.R. § 155.310(a)(3)*

**VII. CHILDREN’S HEALTH PROGRAM**

*Chapter 189, Article 19, Section 31(b) (HF 2749)  
Repeals Minn. Stat. §§ 256L.22; 256L.24; 256L.26; and 256L.28.  
Effective May 25, 2016*

Repeals the Children’s Health Program.



HOME CARE

**I. HOME CARE LICENSING**

*Chapter 179, Sections 6,7, and 8 (HF 3142)*

*Amends Minn. Stat. §§ 144A.471, subd. 9; 144A.473, subd. 2; 144A.475, subds. 3, 3b*

*Effective August 1, 2016*

**A. Temporary Licenses**

Changes the Department Human Services (DHS) statute governing the granting basic or comprehensive home care licenses to provide for issuance for less than one year periods.

*Amends Minn. Stat. § 144A.473, subd. 2*

**B. DHS Powers re: Level 3 Violations**

Grants the DHS additional authority to, with notice, but prior to a contested case hearing, issue a conditional license to a home care provider. Limits the new authority to issue the conditional license (and the existing authority to temporarily suspend a license or prohibit the delivery of services) to Level 3 violations “that do not pose an imminent risk of harm to the health or safety of person’s in the provider’s care. Requires hearing within 30 days. Requires providers to comply with client notification and transfer requirements.

*Amends Minn. Stat. § 144A.475, subd. 3 (Powers)*

*Amends Minn. Stat. § 144A.475, subd. 3b (Hearing/Notice and Transfer Requirements)*

*Adds Minn. Stat. § 144A.475, subd. 3c (Immediate Temporary Suspension)*

*Note: A Level 3 is a violation that harmed a client's health or safety, not including serious injury, impairment, or death, or a violation that has the potential to lead to serious injury, impairment, or death. See Minn. Stat. § 144A.474, subd. 11(b)*

**C. DHS Powers re: Level 4 Violations or Violations that Pose Imminent Risk**

Grants DHS additional authority to, without notice, to immediately temporarily suspend a home care provider’s license, prohibit delivery of services by a provider, or issue a conditional license if DHS determines that either: (1) there are Level 4 violations; or (2) violations “pose an imminent risk of harm to the health or safety of persons in the provider’s care.” Requires notice and right to appeal. Requires providers to comply with client notification and transfer requirements.

*Amends Minn. Stat. § 144A.475, subd. 3 (Powers)*

*Adds Minn. Stat. § 144A.475, subd. 3c (Immediate Temporary Suspension)*

*Note: A Level 4 is a violation that results in serious injury, impairment, or death. See Minn. Stat. § 144A.474, subd. 11(b)*

**D. Exclusions**

Adds that employees of licensed nursing homes or home care providers are excluded from home care licensure and exempt from the requirement to provide the home care bill of rights where the employee is: (1) responding to occasional emergency calls from a location where home care services are provided; and (2) providing occasional minor services free of charge to individuals residing in a residential setting that is attached to or located on property contiguous to the nursing home, boarding care home, or location where home care services are also provided.

*Amends Minn. Stat. § 144A.471, subd. 9*

## HOSPICE CARE

### **I. EXPANSION OF ELIGIBILITY FOR HOSPICE CARE**

*Chapter 189, Article 20, Sections 16 - 20 (HF 2749)*

*Amends Minn. Stat. § 144A.75, subds. 5, 6, 8 and 13*

*Adds Minn. Stat. § 144A.75, subd. 13a*

*Effective July 1, 2016*

#### **A. Eligibility**

Modifies the definitions of “hospice provider,” “hospice patient,” and “hospice services/care” by adding persons eligible for hospice care who: (1) are 21 years of age or younger; (2) have been diagnosed with a chronic, complex, and life-threatening illness contributing to a shortened life expectancy; and (3) are not expected to survive to adulthood. Modifies the definition

*Amends Minn. Stat. § 144A.75, subds. 5, 6, and 8*

#### **B. Definition of “Residential Hospice Facility”**

Expands the definition of “residential hospice facility.” Provides that a “residential hospice facility is now defined as a home that has been “modified to address life safety, accessibility, and care needs.”

*Amends Minn. Stat. § 144A.75, subd. 13*

#### **C. Definition of “Respite Care”**

Adds a new definition of “respite care.” Defines “respite care” as “short-term care in an inpatient facility, such as a residential hospice facility, when necessary to relieve the hospice patient's family or other persons caring for the patient.” Provides that respite care can be provided “on an occasional basis.”

*Adds Minn. Stat. § 144A.75, subd. 13a*

LONG TERM CARE SERVICES AND SUPPORTS

**I. HOME AND COMMUNITY BASED SERVICES (HCBS) WAIVERS**

*Chapter 143 (SF 2857)*

*Adds Minn. Stat. § 256B.0916, subd. 8*

*Effective August 1, 2016*

Requires DHS to add to its Web site: (1) waiting list information; and (2) more specific financial information, including, among other things, the most recent end of session forecast available for the HCBS programs. Requires the Governor to consider including in his budget for DHS for the 2018-2019 biennium a proposal for establishing rate floors for HCBS waiver services after the end of the banding period for the Disability Waiver Rate System.

**II. SPOUSAL ANTI-IMPOVERISHMENT CHANGES**

*Chapter 189, Article 19, Sections 4 - 8 (HF 2749)*

*Amends Minn. Stat. § 256B.059, subds. 1, 2, 3 and 5*

*Adds Minn. Stat. § 256B.059, subd. 6*

*Repeals Minn. Stat. § 256B.059, subd. 1a*

*Various Effective Dates*

**A. Community Spouse Asset Allowance Increase**

Simplifies the asset eligibility process for married persons who need HCBS waivers, Community First Services and Supports (CFSS) or nursing facility services by increasing the amount their unassisted (community) spouse can retain up to the allowed federal maximum of \$119,220. Appropriates \$4.63 million for 2017 and \$28.459 million for 2018-19.

*Amends Minn. Stat. § 256B.059, subd. 3*

*Effective June 1, 2016*

**B. Determination of Assets for Married Persons Applying for HCBS Waivers, Community First Services and Supports (CFSS) or Institutional Services**

Provides that assets considered available for the spouse seeking services include all the couple's assets minus the community spouse asset allowance of \$119,220 plus \$3,000 for the spouse applying for services. If the couple has **no more** than that amount, the person seeking services will **meet the asset eligibility requirements.**

*Amends Minn. Stat. § 256B.059, subd. 3*

*Effective June 1, 2016*

### **C. Asset Hardship Exception for Retirement and College Savings Accounts**

Provides an additional hardship exception to allow a community spouse to retain assets in excess of the maximum – as provided in Minn. Stat. § 256B.059, subd. 3 (*See A. above*) – provided the assets are in the form of tax deferred retirement accounts and college savings accounts for a child under age 25. The retirement and college savings account assets are excluded from the assets attributed to the spouse seeking eligibility for services.

*Amends Minn. Stat. § 256B.059, subd. 3*

*Effective June 1, 2016, provided that DHS is instructed to cease implementation of these changes if the federal government denies the state plan amendment*

*Note: Protected retirement assets are defined as only retirement assets held by the community spouse in a tax-deferred retirement account, including: (1) a defined benefit plan; (2) a defined contribution plan; an employer-sponsored individual retirement arrangement; or (4) an individually purchased individual retirement arrangement. Protected education funds are defined as “only funds in a plan designated under section 529 of the Internal Revenue Code on behalf of a child of either or both spouses who is under 25 years of age.”*

### **D. Temporary Application of Spousal Anti-Impoverishment (SAI) Rules for Disability HCBS Waiver and Community First Services and Supports (CFSS) Participants**

The changes in the spousal anti-impoverishment rules for the under 65 disability HCBS waiver and CFSS participants are effective on various dates until the federal government changes federal policy on imposing the SAI rules on those under age 65 eligible for HCBS waiver and CFSS programs.

*Adds Minn. Stat. § 256B.059, subd. 6*

*Effective:*

*June 1, 2016 for institutionalized spouses applying for home and community-based waivers on or after June 1, 2016 and expire upon notification to DHS that the Center for Medicare and Medicaid Services (CMS) approved the continuation of the deeming rules in effect on May 31, 2016, for the treatment of the assets of a community spouse.*

*March 1, 2017 for institutionalized spouses enrolled in home and community-based waivers before June 1, 2016 and expire upon notification to DHS that the Center for Medicare and Medicaid Services (CMS) approved the continuation of the deeming rules in effect on May 31, 2016, for the treatment of the assets of a community spouse.*

*June 1, 2016 for institutionalized spouses applying for Community First Services and Supports services.*

### III. OMBUDSMAN FOR LONG-TERM CARE

*Chapter 163, Article 1 (SF 2414)*

*Amends Minn. Stat. §§ 256.974; 256.9741; 256.9742*

*Adds Minn. Stat. § 256.9741, subds. 7 and 8*

*Effective May 23, 2016*

#### A. Change in Status

Specifies that the Ombudsman for Long-Term Care is no longer a program within the Minnesota Board of Aging, but a distinct entity, separately identifiable from other state agencies.

*Amends Minn. Stat. §§ 256.974*

*Note: This change is required to comply with a change in federal rules issued by the Administration on Aging.*

#### B. Definition and Redefinition

1. “State Long-Term Care Ombudsman”

Defines the Ombudsman for Long-Term Care as the State Long-Term Care Ombudsman.

*Adds Minn. Stat. § 256.9741, subd. 8*

2. “Representatives of the Office”

Redefines the following persons as “representatives of the office”: (1) employees of the Office of the Ombudsman for Long-Term Care; (2) Regional Ombudsman; and certified ombudsman volunteers.

*Adds Minn. Stat. § 256.9741, subd. 7*

## MENTAL HEALTH

### **I. ASSERTIVE COMMUNITY TREATMENT (ACT)**

*Chapter 163, Article 2, Section 5 (SF 2414)*

*Amends Minn. Stat. § 256B.0622, as amended by Laws 2015, chapter 71, article 2, sections 23 to 32*

*Effective: July 1, 2016, for ACT teams certified after January 1, 2016*

*January 1, 2017 for ACT teams certified before January 1, 2016*

Adds definitions, updates standards, and rearranges Minn. Stat. § 256B.0622 primarily relating to Assertive Community Treatment (ACT). Separates provisions relating to ACT and Intensive Residential Treatment Services (IRTS), which both fall under this section of law.

#### **A. Definitions**

Amends or adds definitions of the following terms: (1) “ACT Team”; (2) “Assertive Community Treatment”; (3) “Individual Treatment Plan”; (4) “Assertive Engagement”; (5) “Benefits and Finance Support”; (6) “Co-occurring Disorder Treatment”; (7) “Crisis Assessment and Intervention”; (8) “Employment Services”; (9) “Family Psychoeducation and Support”; (9) “Housing Access Support”; (10) “Individual Treatment Team”; (11) “Intensive Residential Treatment Services Treatment Team”; (12) “Intensive Residential Treatment Services”; (13) “Medication Assistance and Support”; (14) Medication Education;” (15) “Overnight Staff”; (16) “Mental Health Certified Peer Specialist Services”; (17) “Physical Health Services”; (18) “Primary Team Member”; (19) “Rehabilitative Mental Health Services”; “Symptom Management”; (20) “Therapeutic Interventions”; and (21) “Wellness Self-Management and Prevention.”  
*Amends Minn. Stat. § 256B.0622, subd. 2*

#### **B. Eligibility for ACT**

Provides new criteria for initial and continuing eligibility (and discharge) for ACT services.

##### **1. Initial Eligibility**

Requires: (1) a mental health professional to document that no other community resources are available to provide treatment as effectively as ACT services; and (2) an individual to: (i) be at least 18 years old, provided that DHS may approve individuals who are 16 or 17 for services; (ii) have a diagnosis of a psychotic disorder or bipolar disorder; (iii) have significant function impairment; and (iv) have a need for continuous high-intensity services.

*Adds Minn. Stat. § 256B.0622, subd. 2a*

2. **Continuing Eligibility**  
Requires that, among other things: (1) the client has not achieved desired outcomes of the individual treatment plan; (2) the client's level of functioning has not been restored, improved or sustained over the time frame outlined in the treatment plan; (3) the client continues to be at risk of relapse; (4) the client's condition would deteriorate if services are not continued.  
*Adds Minn. Stat. § 256B.0622, subd. 2b(a)*
  
3. **Discharge**  
Provides that clients are eligible for discharge if they meet at least one of the following criteria: (1) the client and the ACT team determine ACT services are no longer needed; (2) the client moves; (3) the client withdraws and reengagement attempts are unsuccessful; (4) the client needs nursing home placement for more than three months; (5) the client is hospitalized or jailed for more than three months; (6) the ACT team is unable to locate, contact, or engage the client for more than three months; or (7) the client requests a discharge. Allows client to return if the client within three months if the client is transferred to another provider the ACT team's service area.  
*Adds Minn. Stat. § 256B.0622, subd. 2b(b) and (c)*
  
- C. IRTS Standards and Staffing**  
Recodifies and adds standards, including staffing requirements, for IRTS services.  
*Adds Minn. Stat. §§ 256B.0622, subd. 5a*
  
- D. ACT Standards and Staffing**  
Adds: (1) ACT standards; and (2) ACT staffing requirements and roles.  
*Amends Minn. Stat. § 256B.0622, subd. 7 (Standards)*  
*Adds Minn. Stat. § 256B.0622, subd. 7b (Staffing Requirements and Roles)*  
*Adds Minn. Stat. § 256B.0622, subd. 7c (Caseloads for Small, Midsize and Large ACT Teams)*
  
- E. ACT Treatment Plan**  
Requires a diagnostic assessment and a 30-day treatment plan to be completed the day of the client's admission. Establishes time frames for: (1) completion of a functional assessment; (2) an in-depth assessment; and a comprehensive case conference. Establishes the requirements for development of individual treatment plans.  
*Adds Minn. Stat. § 256B.0622, subd. 7e*
  
- F. Other ACT Requirements**  
Requires ACT teams to provide at least 75% of all services outside an office or facility setting. Specifies that teams must: (1) be responsive to changing needs of clients; (2) interact with families and other support persons; (3) conduct daily meetings; and (4) engage clients in services.  
*Adds Minn. Stat. § 256B.0622, subd. 7d*



**G. Provider Certification**

Recodifies and adds certification requirements for ACT and IRTS service providers.

*Amends Minn. Stat. § 256B.0622, subd. 4 (IRTS Provider Certification)*

*Adds Minn. Stat. § 256B.0622, subd. 3a (ACT Provider Certification)*

**II. CERTIFIED COMMUNITY BEHAVIOIRAL HEALTH CLINICS (CCBHC)**

*Chapter 189, Article 16, Sections 1 and 2 (HF 2749)*

*Amends Minn. Stat. § 245.735, subds. 3 and 4*

*Effective May 25, 2016*

**A. Requirements for CCBHCs**

Establishes standards for certification as a CCBHC. Adds requirements for “coordination of care across settings and providers to ensure seamless transitions for patients across the full spectrum of health services, including acute, chronic, and behavioral needs.”

Allows care coordination to be accomplished through: (1) partnerships or formal contracts with government, nonprofit, and for-profit entities; and (2) community supports, services, and providers.

*Amends Minn. Stat. § 245.735, subd. 3(a)*

**B. Department of Human Services (DHS) Obligations and Authorities**

1. Evidence-Based Practices

Requires DHS to issue a list of required evidence-based practices – and allows DHS to issue a list of recommended evidence-based practices – to be delivered by CCBHCs.

*Amends Minn. Stat. § 245.735, subd. 3(e)*

2. Bonus Payment System

Allows DHS to include quality bonus payment in the prospective payment system based on: (1) federal criteria; and (2) a clinic's provision of the evidence-based practices.

*Amends Minn. Stat. § 245.735, subd. 3(f)*

3. Seeking Federal Approval

Requires DHS to seek federal approval to continue federal financial participation in payment for CCBHC services after the federal demonstration period ends for clinics that: (1) were certified as CCBHCs during the demonstration period; and (2) continue to meet the CCBHC certification standards. Provides the program ends if federal approval cannot be obtained.

*Amends Minn. Stat. § 245.735, subd. 3(g)*

4. Public Participation

Amends existing law to require DHS to collaborate and partner (along with consulting) stakeholders on implementing (as well as developing) CCBHCs. Adds the following groups to the list of stakeholders: (1) substance use disorder treatment providers; (2) counties; (3) tribes; (4) hospitals; and (5) other health care providers.

*Amends Minn. Stat. § 245.735, subd. 4*

**III. RENTAL ASSISTANCE FOR PERSONS WITH MENTAL ILLNESS**

*Chapter 189, Article 16, Section 3 (HF 2749)*

*Amends Minn. Stat. § 245.99, subd. 2*

*Effective May 25, 2016*

Changes the eligibility diagnosis requirement for the Adult Mental Illness Crisis Housing Assistance Program from “serious and persistent mental illness” (as defined in Minn. Stat. § 245.462, subd. 20) to “serious mental illness” in order to expand the number of persons eligible.

OTHER HEALTH CARE ISSUES

**I. HEALTH INSURERS' WEB SITE UPDATES**

*Chapter 179, Section 1 (HF 3142)*

*Adds Minn. Stat. § 62K.075*

*Effective August 1, 2016*

Requires health insurers to update their Web sites at least once per month with any changes in the insurer's provider network, including changes from in-network to out-of-network status. Requires reprocesses of claims for providers whose status changed from in-network to out-of-network if the network change became effective before it was posted on the Web site, unless the provider notified the enrollee prior to providing the service.

**II. PATIENTS' BILL OF RIGHTS - RIGHT OF HOSPITAL PATIENTS TO DESIGNATE CAREGIVER**

*Chapter 103 (SF 107)*

*Adds Minn. Stat. § 144.6522*

*Effective January 1, 2017*

Adds a new section to the Patients' Bill of Rights giving hospital patients the right to designate a caregiver and hospitals the requirement to provide a discharge and aftercare instructions to the designated caregiver.

**A. Designation of Caregiver**

1. Opportunity for Patient to Designate a Caregiver

Requires hospitals to provide to patients (or the patient's agent) the opportunity to designate at least one caregiver: (1) no later than 24 hours after admission; and (2) discharge or transfer. Requires hospitals, if the patient is unconscious or otherwise incapacitated, to provide the opportunity to a patient or agent to designate a caregiver within 24 hours of recovery of consciousness or capacity.

*Adds Minn. Stat. § 144.6522, subd. 2(a)*

2. Who May Designate a Caregiver

Provides that following persons may designate a caregiver: (1) the patient; or the patient's agent, defined as: (i) a court appointed guardian; (2) the parent of a minor child whose authority to act on behalf of the patient as to health care decisions has not been restricted by the court; or (3) a health agent authorized to act on behalf of the patient under chapter 145C.

*Adds Minn. Stat. § 144.6522, subd. 1(b)*

3. Who May Be a Caregiver  
Requires a caregiver to be at least 18 years old and, in the opinion of the health care provider, capable of providing aftercare. Allows a caregiver to be, without limitation, a relative, partner, friend, or neighbor who has a relationship with the patient.  
*Adds Minn. Stat. § 144.6522, subd. 1(c)*
4. Changing Designation  
Allows patient or agent to change caregiver at any time.  
*Adds Minn. Stat. § 144.6522, subd. 2(d)*
5. No Obligation to Designate Caregiver  
Provides that the new section does not establish a requirement of a patient or agent to designate a caregiver.  
*Adds Minn. Stat. § 144.6522, subd. 5(b)*

**B. Release of Medical Information to a Caregiver**

Provides that a hospital is deemed to have consent to release personal health information to the designated caregiver upon designation of a caregiver by the patient or agent. Provides that the patient or agent may revoke consent at any time and no notice is required to the caregiver.  
*Adds Minn. Stat. § 144.6522, subd. 2(c)*

**C. Discharge**

1. Notice to Caregiver  
Requires hospitals, as soon as practicable, to provide notice to caregiver(s) of the patient's discharge or transfer. Provides that the failure to notify caregiver or the absence of the caregiver does not delay discharge or transfer, so long as hospital has made a good faith effort to contact the caregiver. Provides that notice requirements are inapplicable if patient is transferred due to an emergency.  
*Adds Minn. Stat. § 144.6522, subd. 3*
2. Discharge/Aftercare Instructions to Caregiver  
Requires hospitals to consult with caregiver and patient prior to discharge. Requires hospitals to issue a discharge plan that: (1) describes aftercare needs; and (2) contains specifies items that must be included. Requires hospitals to issue aftercare instructions to the caregiver that must include a video demonstration that is: (1) culturally competent; and (2) consistent with legal language access requirements  
*Adds Minn. Stat. § 144.6522, subd. 4*

3. Limitations

Provides that the new right does not: (1) create a separate private right of action; (2) supersede or replace existing duties, rights, or remedies; (3) establish a separate standard of care for use in an action; (5) interfere with powers of a health care agent operating under a health care direction under Chapter 145C; or (6) obligate the caregiver to provide aftercare.

*Adds Minn. Stat. § 144.6522, subds. 2e and 5*

**III. HEALTH MAINTENANCE ORGANIZATIONS (HMO) QUALITY OF CARE COMPLAINTS**

*Chapter 189, Article 16, Section 4 (HF 2749)*

*Adds Minn. Stat. § 62D.115*

*Effective July 1, 2016*

**A. Quality of Care Complaint Investigation Process**

Requires all HMOs to develop and implement a quality of care complaint investigation process. Requires HMOs to: (1) describe each quality of care complaint level of severity; (2) classify complaints that warrant peer protection confidentiality; and (3) include investigation procedures for each level of severity. Requires documentation of how each complaint is addressed and tracking complaints to identify trends.

*Adds Minn. Stat. § 62D.115, subd. 2(a) (Development of Process)*

*Adds Minn. Stat. § 62D.115, subd. 2(c) (Specifics of Process)*

*Adds Minn. Stat. § 62D.115, subd. 2(d) (Documentation)*

*Adds Minn. Stat. § 62D.115, subd. 2(d) (Tracking)*

**B. Definition of “Quality of Care” Complaint**

Defines "quality of care complaint" as “an expressed dissatisfaction regarding health care services resulting in potential or actual harm to an enrollee or affects the clinical quality of health care services provided. Includes, without limitation, the following complaints: (1) access; (2) provider and staff competence; (3) clinical appropriateness of care; (4) communications; (5) behavior; (6) facility and environmental considerations; and (7) other factors that could impact the quality of health care services.

*Adds Minn. Stat. § 62D.115, subd. 2*

**C. Reporting**

Requires annual reporting of to the Department of Health.

*Adds Minn. Stat. § 62D.115, subd. 3*

**D. Exceptions**

Makes this section inapplicable to complaints received by an HMO from an enrollee who is covered under a public health care program administered by the Department of Human Services.

*Adds Minn. Stat. § 62D.115, subd. 5*

## HOUSING LAW

Prepared by:

Ron Elwood, Supervising Attorney  
Legal Services Advocacy Project  
651-842-6909  
relwood@mnlsap.org

### I. **EXPLOITED FAMILIES RENTAL ASSISTANCE PILOT PROGRAM**

*Chapter 189, Article 7, Sections 5 and 45 (HF 2749)*

*Uncodified Sections*

*Effective July 1, 2016*

#### A. **Establishment**

Establishes within the Housing Trust Fund, operated by the Minnesota Housing Finance Agency (MHFA), an Exploited Families Rental Assistance Pilot Program “to serve individuals or families from “emerging communities” at risk of being homeless and who have been victims of gender-based violence, including but not limited to: (1) domestic violence; (2) sexual assault; (3) trafficking, (4) international abusive marriage; or (5) forced marriage.

*Chapter 189, Article 7, Section 45, Subd. 1(a)*

*Note: "Emerging communities" is defined as "communities that are unfamiliar with mainstream government services and that have limited English proficiency.*

#### B. **Appropriation**

Appropriates \$500,000 in Fiscal Year 2017 for the Exploited Families Rental Assistance Pilot Program.

*Chapter 189, Article 7, Section 5(a)*

#### C. **Eligible Applicants**

Directs MHFA to award grants to organizations that can provide or partner with an organization that can provide linguistically and culturally appropriate services and that have the capacity to serve individuals or families from emerging communities who have experienced gender-based violence.

*Chapter 189, Article 7, Section 45, Subd. 1(a)*

**D. Pilot Program Parameters**

Requires that pilot program must: (1) provide rental assistance to individuals or families with a minor child; (2) require the participants to pay at least 30% of the participant's income toward the rent; (3) allow the families to choose their own housing, including: (i) single-family homes; (ii) townhomes; and (iii) apartments; and (4) give priority to individuals or families who experience barriers in accessing housing, for factors including: (1) limited English proficiency; (2) lack of positive rental history; (3) employment history; and (4) financial history.

*Chapter 189, Article 7, Section 45, Subd. 1(b)*

**E. Evaluation**

Requires grant recipients to collect and make available to MHFA aggregate data to assist the agency in the evaluation of the program. Requires MHFA to evaluate the program, including: (1) measuring the number of families served from emerging communities; and (2) analyzing the housing status of the participants.

*Chapter 189, Article 7, Section 45, Subd. 2*

**II. HOUSING SUPPORT SERVICES**

*Chapter 163, Article 3, Section 13 (SF 2414)*

*Uncodified Section*

*Effective August 1, 2016*

**A. Comprehensive Housing Services Design**

Directs DHS to “design comprehensive housing services to support an individual's ability to obtain or maintain stable housing.”

**B. Goals**

Specifies that the goals of the initiative are to: (1) improve housing stability; (2) increase opportunities for integrated community living; (3) prevent and reduce homelessness; (4) increase overall health and well-being of people with housing instability; and (5) reduce inefficient use of health care that may result from housing instability.

**C. “Housing Benefit Set Proposal”**

Directs DHS to develop a proposal for housing support services that include: (1) housing transition services, which include, among other things, tenant screening, coverage of moving expenses, and payment for accessibility modifications; and (2) housing and tenancy sustaining services, which include, among other things, training on tenant and landlord roles and responsibilities, advocacy, and linkage to eviction prevention resources. Provides that implementation of any proposal is contingent upon legislative approval.

**D. Stakeholder Input**

Requires DHS to consult with: (1) people who may utilize the service; (2) advocates; (3) providers; (4) counties; (5) tribes; (6) health plans; and (7) landlords.

**E. Progress Report to Legislature**

Requires DHS present a progress report to the Health and Human Services legislative committees by February 1, 2017.

**III. MINNESOTA MANUFACTURED HOME RELOCATION TRUST FUND**

*Chapter 189, Article 13, Sections 58 and 59 (HF 2749)*

*Amends Minn. Stat. §§ 327C.03, subd. 6; and 327C.095, subds. 12 and 13*

*Effective July 1, 2016*

**A. Manufactured Homeowner Payments**

Increases the amount a manufactured home park owner may collect from a manufactured homeowner for contribution to the Minnesota Manufactured Home Relocation Trust Fund: (1) annually, from \$12 to \$15; and (2) monthly, from \$1 to \$1.25.  
*Amends Minn. Stat. §§ 327C.03, subd. 6 and 327C.095, subd. 12*

**B. Manufactured Home Park Owner Payments to Relocating Homeowners**

Increases the amount a manufactured homeowner may be reimbursed from the Minnesota Manufactured Home Relocation Trust Fund: (1) from \$5,000 to \$8,000 for a single-section home; and (2) from \$9,000 to \$14,500 for a multisection home.  
*Amends Minn. Stat. § 327C.095, subd. 13(e)*

**C. Modification of Appraisal Methodology**

Adds that the tax market value, averaged over a period of five years, may be used as a substitute if the appraised market value cannot be determined.  
*Amends Minn. Stat. § 327C.095, subd. 13(e)*

**IV. RISK MITIGATION FOR LANDLORDS RENTING TO HOMELESS FAMILIES**

*Chapter 189, Article 12, Section 2, Subd. 3 (HF 2749)*

*Uncodified Section*

*Effective July 1, 2016*

Appropriates \$250,000 in Fiscal Year 2017 for grants to eligible applicants to create or expand risk mitigation programs to reduce landlord financial risks for renting to persons eligible for the Family Homeless Prevention and Assistance Program. Allows reimbursement to landlords for costs including but not limited to nonpayment of rent, or damage costs above those costs covered by security deposits.



**V. WORKFORCE AND AFFORDABLE HOMEOWNERSHIP DEVELOPMENT PROGRAM**

*Chapter 189, Article 7, Sections 5 and 41 (HF 2749)*

*Adds Minn. Stat. § 462A.38*

*Uncodified Sections*

*Effective July 1, 2016*

**A. Establishment**

Establishes a workforce and affordable homeownership development program to award homeownership development grants to nonprofit organizations, cooperatives, and community land trusts to hold and lease land for the purpose of preserving the affordability of housing on that land for persons and families of low and moderate income.

*Adds Minn. Stat. § 462.38, subd. 1*

*Note: See Minn. Stat. § 462A.31, subd. 1, the Community Land Trust section of Minnesota Housing Finance Agency's chapter of Minnesota law (setting forth the purpose of community land trusts).*

**B. Appropriation**

Appropriates \$750,000 in Fiscal Year 2017 to the Minnesota Housing Finance Agency for the Workforce and Affordable Homeownership Development Program.

*Uncodified Section*

**C. Reach**

Requires the Minnesota Housing Finance Agency to attempt to make grants in approximately equal amounts to metro and rural Minnesota applicants.

*Adds Minn. Stat. § 462.38, subd. 1*

## HUMAN RIGHTS LAW

Prepared by:

Ron Elwood, Supervising Attorney

Legal Services Advocacy Project

651-842-6909

relwood@mnlsap.org

### I. CLOSED CAPTIONING ON TELEVISIONS IN MEDICAL FACILITIES

*Chapter 150 (SF 2603)*

*Adds Minn. Stat. § 144.611*

*Effective August 1, 2016*

#### A. Activation of Closed Captioning Feature Required

1. *Initial Activation*

Requires that any television in a waiting room in a health care facilities licensed under Chapter 144 of Minnesota Statutes that is used by the general public or persons using or requesting service must have a closed captioning feature activated at all times if the television has closed captioning capability. Requires health care facilities to make reasonable efforts to prevent the deactivation of the closed captioning feature

*Adds Minn. Stat. § 144.611(b)*

2. *Reactivation*

Provides that deactivation by a member of the public or individual using or requesting service at the facility is not a violation so long as the health care facility reactivates the feature as soon as practicable.

*Adds Minn. Stat. § 144.611(c)*

#### B. No Impact on Other Disability Law or Rights

Specifies that this section does not affect any other provision of law relating to disability discrimination or providing reasonable accommodations or diminish the rights of a person with a disability under other law.

*Adds Minn. Stat. § 144.611(d)*

## II. LEGAL ACTIONS INVOLVING ARCHITECTURAL BARRIERS THAT LIMIT PHYSICAL ACCESS

*Chapter 159 (HF 2955)*

*Amends Minn. Stat. § 363A.28, subd. 3*

*Adds Minn. Stat. § 363A.331*

*Effective May 23, 2016*

### A. Notice of Architectural Barrier

#### 1. Requirements

Requires that a notice (demand letter) sent by a plaintiff's attorney alleging violation of Minnesota Human Rights Act or the Americans with Disabilities Act sections requiring removal of physical barriers to access in public accommodations must: (1) be dated; (2) cite the law alleged to be violated; (2) identify each architectural barrier; (3) specify the location on the premises of the barrier; (4) provide a reasonable time for a response, which may not be less than 30 days; and (5) be in or substantially in a statutory short form. Provides that no other civil action may be taken until the expiration of the time provided in the notice.

*Adds Minn. Stat. § 363A.331, subd. 2(a) (Requirements)*

*Adds Minn. Stat. § 363A.331, subd. 3 (Statutory Short Form)*

#### 2. Prohibition

Prohibits a notice (demand letter) from including a monetary demand, but permits an offer to engage in settlement negotiations before litigation.

*Adds Minn. Stat. § 363A.331, subd. 2(b)*

#### 3. Exemptions

Exempts the following persons from the provisions governing notices (demand letters): (1) a person who is not represented by an attorney; or (2) attorneys representing the state or a political subd. of the state.

*Adds Minn. Stat. § 363A.331, subd. 5(a)*

### B. Tolling of Statute of Limitation

Tolls the one-year statute of limitation for bringing a claim of an unfair discriminatory practice under the Minnesota Human Rights Act for the period provided in the notice (demand letter).

*Amends Minn. Stat. § 363A.28, subd. 3*

## C. Affirmative Defenses

### 1. Defenses

Establishes that, in civil action brought in Minnesota courts alleging a violation of Minnesota Human Rights Act or the Americans with Disabilities Act for failure to remove a physical barrier to access, the defendant has the following affirmative defenses if the defendant demonstrates that it: (1) has removed the barrier (2) is in compliance with the Minnesota Human Rights Act or the Americans with Disabilities Act; or (3) is exempt from compliance with the Minnesota Human Rights Act or the Americans with Disabilities Act because compliance is not readily achievable.

*Amends Minn. Stat. § 363A.28, subd. 4(a)*

### 2. Burden of Proof

Places the burden of proof on a plaintiff challenging a finding in an audit performed by a certified professional that the business establishment or place of public accommodation is in compliance or that compliance is not readily achievable.

*Amends Minn. Stat. § 363A.28, subd. 4(b)*

## III. ST. CLOUD HUMAN RIGHTS OFFICE

*Chapter 189, Article 4, Section 5 (HF 2749)*

*Uncodified Section*

*Effective July 1, 2016*

Appropriates \$180,000 for the opening of a St. Cloud Office of the Minnesota Department of Human Rights.

## JUVENILE LAW

Prepared by:  
Melinda Hugdahl, Staff Attorney  
Legal Services Advocacy Project  
(651) 842-6907  
[mthugdahl@mnlsap.org](mailto:mthugdahl@mnlsap.org)

### I. CHILD PROTECTION – OUT OF HOME PLACEMENTS/SUCCESSFUL TRANSITION TO ADULTHOOD

*Chapter 189, Article 15, Sections 7-15 (HF 2749/SF 2356)*

*Amends Minn. Stat. §§ 260C.203; 260C.212, subds. 1 and 14; 260C.215, subd. 4; 260C.451, subd. 6; 260C.521, subd. 1;*

*Adds Minn. Stat. §§ 260C.451, subd. 9; 260C.452; and 260D.14*

*Effective July 1, 2016*

#### A. Children Age 14 and Older

Amends requirements for out-of-home placement plans as follows:

- Permits child to select one member of the case planning team to be the child’s advisor and advocate on “reasonable and prudent parenting standards.” (See Minn. Stat. § 260C.212, subd. 14; described in section II below) The agency may reject the child’s selection if it has good cause to believe that the advisor would not act in the best interests of the child;
- Clarifies that “educational stability” applies to children who have attained school age under state law. Requires those children to be enrolled full time in elementary or secondary school, instructed at home, instructed in an independent study elementary or secondary school program; or is incapable of attending on a full time basis due to a medical condition that is documented and regularly updated in the case plan;
- Requires agency to work with the school to ensure the child’s attendance;
- Amends independent living plans to be in consultation with the child, and the child’s advisor with respect to “reasonable and prudent parenting standards.” (See Minn. Stat. § 260C.212, subd. 14; described in section II below); and
- Requires the child’s signed acknowledgment that:
  - Describes the child’s rights regarding education, health care, visitation, safety and protection from exploitation, and court participation;
  - Receipt of the documents in Minn. Stat. § 260C.452;
  - Receipt of an annual credit report; and
  - States that the rights were explained in an age-appropriate manner.

*Chapter 189, Article 15, Section 8*

*Amends Minn. Stat. § 260C.212, subd. 1*

*Effective July 1, 2016*

Applies requirements to child who is under guardianship of the commissioner, has a permanency disposition of custody to the agency, or who will leave foster care between ages 18 and 21.

*Chapter 189, Article 15, Section 13*

*Adds Minn. Stat. § 250C.452, subd. 1*

*Effective July 1, 2016*

Requires social services agency to complete independent living plan that complies with requirements of existing law (See Minn. Stat. § 260C.212, subd. 1, clause (12)), and adds that the plan must be developed in consultation with the child, and permits the child to select one member of the case planning team to be designated as the child’s advisor and to advocate regarding application of the “reasonable and prudent parenting standards.” (See Minn. Stat. § 260C.212, subd. 14; described in section II below).

*Chapter 189, Article 15, Sections 8 and 13*

*Amends Minn. Stat. § 260C.212, subd. 1; Adds Minn. Stat. § 260C.452, subd. 2*

*Effective July 1, 2016*

Moves existing requirements from Minn. Stat. § 260C.203 (Administrative or Court Review of Placements) to new provision, Minn. Stat. § 260C.452 (Successful Transition to Adulthood):

- Notification to continue foster care past age 18; and
- Assistance in obtaining documents (i.e. Social Security card, birth certificate, etc.)

Adds requirement that court ensure that social services agency also assist the child in obtaining health insurance information before the child leaves foster care.

*Chapter 189, Article 15, Sections 7 and 13*

*Amends Minn. Stat. § 260C.203; Adds Minn. Stat. § 260C.452*

*Effective July 1, 2016*

Requires court to review the independent living plan in consultation with the child. The independent living plan must include the existing requirements under Minn. Stat. § 260C.203, paragraph (d).

Requires the court to ensure that the agency has provided all notices and assisted in obtaining documents required under existing law, plus health insurance information. (See Minn. Stat. § 260C.203 – now at Minn. Stat. § 260C.452)

*Chapter 189, Article 15, Sections 7 and 13*

*Amends Minn. Stat. § 260C.203; Adds Minn. Stat. § 260C.452*

*Effective July 1, 2016*

## **B. Children Discharged at Age 18 or Older**

In addition to the changes for children ages 14 and above, adds the following provisions:

1. Requires agency to involve child, and child’s parents as appropriate, in out of home placement plans.

*Chapter 189, Article 15, Section 8*

*Amends Minn. Stat. § 260C.212, subd. 1(a)*

*Effective July 1, 2016*

2. Moves and makes more specific existing requirements for a personalized transition plan from Minn. Stat. § 260C.203 (Administrative or Court Review of Placements) to new provision, Minn. Stat. § 260C.452 (Successful Transition to Adulthood). The revised requirements for the transition plan are:
  - (a) affordable housing with necessary supports - which cannot include a homeless shelter;
  - (b) health insurance, including eligibility for medical assistance as defined in § 256B.055, subd. 17;

- (c) education, including application to the Education and Training Voucher Program;
- (d) local opportunities for mentors and continuing support services, including the Healthy Transitions and Homeless Prevention program, if available;
- (e) workforce supports and employment services;
- (f) a copy of the child's consumer credit report as defined in section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report, at no cost to the child;
- (g) information on executing a health care directive under chapter 145C and on the importance of designating another individual to make health care decisions on behalf of the child if the child becomes unable to participate in decisions; and
- (h) appropriate contact information through 21 years of age if the child needs information or help dealing with a crisis situation.

*Chapter 189, Article 15, Sections 7 and 13*

*Amends Minn. Stat. § 260C.203; Adds Minn. Stat. § 260C.452*

*Effective July 1, 2016*

3. Requires agency to provide Notice of Termination of Foster Care Benefits when a child leaves foster care at age 18 or older.
  - a) Notice must:
    - State that foster care terminates 30 days from the date the notice is sent;
    - Be on a form prescribed by DHS;
    - Give notice of the right to have the agency's determination to terminate benefits reviewed by the court.
      - Scope of review is under Minn. Stat. §§ 260C.452 (Successful Transition to Adulthood); 260C.203 (Administrative or Court Review of Placements; 260.317 (Termination of Parental Rights; Effect); and 260C.515, subd. 5 or 6 (Permanency Disposition Orders, Custody to Agency);
    - Copy of notice must be given to child, child's attorney (if any), foster care provider, child's Guardian Ad Litem, and the court.
  - b) States that the agency is not responsible for paying foster care benefits for any period of time after the child leaves foster care.

*Chapter 189, Article 15, Section 13*

*Adds Minn. Stat. § 260C.452, subd. 5*

*Effective July 1, 2016*

4. Technical clarifications, including technical language clarifications from "youth" to "child"; "18 years of age up to 21 years of age" rather than "between ages 18 and 21"; and "agency" to "responsible social services agency."

*Chapter 189, Article 15, Sections 8 and 11*

*Amends Minn. Stat. §§ 260C.212 and 260C.451, subd. 6*

*Effective July 1, 2016*

### **C. Children in Voluntary Treatment Foster Care - Chapter 260D**

Requires same agency case planning services for children age 14 and older who are in voluntary treatment foster care. These services include out of home placement plans – including the right to a Guardian ad Litem (and counsel for the parents) during development of the plan - independent living plans, diagnostic and assessment information and specific services, and support for age and developmentally appropriate activities.

Requires agency to provide written notice, six months before the child's 18<sup>th</sup> birthday, of the right to continued access to services for certain children past age 18 (See Minn. Stat. § 250C.452, subd. 3 - Successful Transition to Adulthood; Notification) and the right to appeal a denial of services. (See Minn. Stat. § 256.045 - Administrative and Judicial Review of Human Services Matters)

Requires, when the child is age 17 or older, the administrative review or court hearing to review the agency's required supports child's successful transition to adulthood. (See Minn. Stat. § 260C.452, subd. 4 – Independent living plan, assistance acquiring documents; transition plan, etc.)

*Chapter 189, Article 15, Section 15*  
*Adds Minn. Stat. § 260D.14*  
*Effective July 1, 2016*

## II. CHILD PROTECTION – REASONABLE AND PRUDENT PARENTING STANDARD

*Chapter 189, Article 15, Sections 8-10 and 14 (HF 2749/SF 2356)*  
*Amends Minn. Stat. §§ 260C.212, subds. 1 and 14; 260C.215, subd. 4; and 260C.521, subd. 1*  
*Effective July 1, 2016*

Amends existing definitions of:

1. "Reasonable and prudent parenting" as follows (strikeouts are language removed; underlining is new language):

"...standards ~~are~~ characterized by careful and sensible parenting decisions that maintain the child's health and safety, cultural, religious, and are made in the child's tribal values, and best interest interests while encouraging the child's emotional and developmental growth."

2. Defines "developmentally appropriate" as "based on a child's cognitive, emotional, physical and behavioral capacities that are typical for an age or age group."

Requires DHS to provide guidance about activities and foster a parent and authorized residential facility staff must consider when applying the "reasonable and prudent parenting" standards. The factors must include:

1. child's age, maturity and level of development;
2. risk of the activity
3. best interests of the child
4. importance of the experience in the child's emotional and developmental growth;
5. importance of a family-like experience;
6. child's behavioral history; and
7. wishes of the child's parent or legal guardian, as appropriate.

Requires licensed residential facilities under Minnesota Rules, chapter 2960, to have at least one onsite staff person who is trained on the standards for foster care workers and administrators who work with children under Minn. Stat. §260C.215, subd. 4, and is authorized to apply the reasonable and prudent parenting standards to decisions involving the foster child's participation in age and developmentally appropriate extracurricular, social or cultural activities. The onsite staff person is not required to be available 24 hours a day.



Exempts the foster parent or designated residential facility staff person from civil liability if a foster care child is harmed or injured because of participation in an approved extracurricular, enrichment, cultural or social activity.

*Chapter 189, Article 15, Section 9*

*Amends Minn. Stat. § 260C.212, subd. 14*

*Effective July 1, 2016*

Requires DHS, as part of existing training curriculum for adoptive and foster families, preparation after placement regarding knowledge and skills related to reasonable and prudent parenting standards for the child's participation in age or developmentally appropriate activities.

*Chapter 189, Article 15, Section 10*

*Amends Minn. Stat. § 260C.215, subd. 4*

*Effective July 1, 2016*

Makes conforming and cross-reference statutory changes to references to "reasonable and prudent parenting" standard.

*Chapter 189, Article 15, Sections 8, 10 and 14*

*Amends Minn. Stat. §§ 260C.212, subd. 1; 260C.215, subd. 4 and 260C.521, subd. 1*

*Effective July 1, 2016*

### **III. CHILD PROTECTION – ADMINISTRATIVE OR COURT REVIEW**

*Chapter 189, Article 15, Sections 12 and 14 (HF 2749/SF 2356)*

*Amends Minn. Stat. § 260C.521, subd. 1*

*Adds Minn. Stat. § 260C.451, subd. 9*

*Effective July 1, 2016*

Requires court reviews at least annually to make sure that the responsible social services agency is making reasonable efforts to finalize the child's permanency plan. The court must find that the agency is making reasonable efforts when the agency:

- a. Provides appropriate support to the child and foster care provider to ensure continuing placement stability and success;
- b. Works with the child to plan for transition to adulthood and assists in demonstrating progress in achieving goals related to that transition;
- c. Works with the child to plan independent living skills and assists the child in progress in achieving those independent living goals; and
- d. Prepares the child for independence as set forth in Minn. Stat. §§260C.203, paragraph (d) (court review of independent living plan) and 260C.452, subd. 4 (transition plan).

Requires responsible social services agency to ensure that an administrative review is completed at least six months after each annual review by the court, and that the administrative review meets the requirements of this section (Minn. Stat. §260C.451) and Minn. Stat. § 260C.203. (Dispositions; Administrative or Court Review of Placements)

*Chapter 189, Article 15, Section 12*

*Adds Minn. Stat. § 260C.451, subd. 9*

*Effective July 1, 2016*

Aligns the term "agency" referenced in this section (child in permanent custody of responsible social services agency) is in fact the responsible social services agency.

Clarifies that in the annual reviewing hearing, the responsible social services agency must:

- a. Make ongoing, intensive, and as of the hearing date, unsuccessful efforts to return the child home, security a placement with a fit and willing relative, custodian, or adoptive parent, in addition to the existing requirement to show that foster placement is in the child's best interests;
- b. Ensures that the child's foster family home or child care institution is following the reasonable and prudent parenting standards; and
- c. Ensures that the child has regular, ongoing opportunities to engage in age or developmentally appropriate activities by consulting the child in an age appropriate manner about those opportunities.

Requires the court, as part of its existing determination as to whether foster care is in the child's best interests, to additionally review the compelling reasons why it continues to not be in the child's best interests to return home, be placed for adoption, or be placed with a fit and willing relative through an order for permanent legal and physical custody under Minn. Stat. § 260C.515, subd. 4.

Expands requirements to review planning for "independent living" to "successful transition to adulthood."

*Chapter 189, Article 15, Section 14*  
*Amends Minn. Stat. § 260C.521, subd. 1*  
*Effective July 1, 2016*

#### **IV. CHILD PROTECTION- TRIBAL CASE TRANSFERS**

*Chapter 189, Article 15, Section 6 (HF 2749/SF 2356)*  
*Adds Minn. Stat. § 260C.125*  
*Effective July 1, 2016*

Establishes process and requirements for transfer of responsibility for Indian children in out of home placement from the responsible social services agency to either a tribal IV-E agency or an Indian tribe in and outside of Minnesota with a title IV-E agreement.

Requires agency to consult with Indian tribes to establish and maintain procedures for transfer of child's placement and care to a tribal agency.

Clarifies that the transfer does not affect either the child's IV-E eligibility or Medicaid eligibility.

Requires responsible agency's determination of IV-E eligibility at the time of transfer, if such determination hasn't already taken place.

Requires transfer to the tribal agency of "essential documents and information" which include, but are not limited to:

1. District court judicial determinations to the effect that continuation in the home from which the child was removed would be contrary to the child's welfare, and that reasonable efforts were made to ensure placement prevention and family reunification under Minn. Stat. § 260.012;
2. Documentation related to the child's permanency proceeding under Minn. Stat. §§ 260C.503 to 260C.521;
3. Agency documentation related to the child's IV-E eligibility and eligibility or potential eligibility for other federal benefits;

4. Child's case plan, pursuant to 42 USC §§675(1) and 675(a) (IV-E case plans), including health and education records of the child pursuant to 42 USC §675(1)(c) and Minn. Stat. §260C.212, subd. 1 (out of home placement plans) and information; and
5. Documentation of the child's placement setting, including a copy of the provider's most recent license.

## **V. SEXUALLY EXPLOITED YOUTH**

*Chapter 189, Article 15, Sections 1,2, and 23-25*

*Amends Minn. Stat. §§ 145.4716, subd. 2; 609.3241, and 626.556, subds. 2 and 3e*

*Adds Minn. Stat. § 145.4716, subd. 3*

*Effective July 1, 2016 (sections 1,2, and 23); and May 29, 2017 (sections 24 and 25)*

Amends Maltreatment of Minors Act definition of "sexual abuse" to include a child who is known or suspected to be a victim of sex trafficking as defined in Minn. Stat. §609.321, subds. 7a and 7b. This change will result in sexually exploited youth being "screened in" to child protection, regardless of who is the alleged perpetrator.

*Chapter 189, Article 15, Section 24*

*Amends Minn. Stat. § 626.556, subd. 2*

*Effective May 29, 2017*

Requires the local welfare agency to assume responsibility for investigating when a child is identified as a victim of sex trafficking.

*Chapter 189, Article 15, Section 25*

*Amends Minn. Stat. § 626.556, subd. 3e*

*Effective May 29, 2017*

Expands eligibility from age 18 and younger to age 24 and younger for all services, support and programs under the Safe Harbor program under the Department of Health and all shelter, housing beds and services provided by DHS to sexually exploited youth and youth at risk of sexual exploitation.

*Chapter 189, Article 15, Section 2*

*Adds Minn. Stat. § 145.4716, subd. 3*

*Effective July 1, 2016*

Transfers grant management for the Safe Harbor for Youth account in the special revenue fund from the Department of Public Safety to the Department of Health, Director of Child Sex Trafficking Prevention.

*Chapter 189, Article 15 Sections 1 and 23*

*Amends Minn. Stat. §§ 145.4716, subd.2 and 609.3241*

*Effective July 1, 2016*

**VI. FOSTER CARE – NORTHSTAR CARE RATE INCREASE**

*Chapter 189, Article 15, Section 4 (HF 2749/SF 2356)  
Amends Minn. Stat. § 256N.26, subd. 3  
Effective for rates from July 1, 2017 to June 30, 2018*

Increases the Northstar Care Basic Monthly Rate as follows:

Ages 0-5	From \$565 to \$650 per month
Ages 6-12	From \$670 to \$770 per month
Ages 13 and over	From \$790 to \$910 per month

**VII. FOSTER CARE – TRAINING**

*Chapter 101 (HF 3305/SF 2896)  
Amends Minn. Stat. § 245A.175  
Effective August 1, 2016*

Expands existing annual mental health training requirements for foster care license holders and caregivers in foster family and treatment foster care families, and all staff in foster residence settings to require one hour of fetal alcohol spectrum disorders within the first twelve months of licensure. At each subsequent annual training, the 12 hours may count toward the required in-service training requirements.

**VIII. CHILD PROTECTION – SCREENING AND CASE CONSULTATION TEAMS**

*Chapter 189, Article 15, Sections 26-28 (HF 2749/SF 2356)  
Amends Minn. Stat. § 626.558, subds. 1 and 2  
Adds Minn. Stat. § 626.558, subd. 4  
Effective July 1, 2016*

Defines “children’s advocacy center” for purposes of this section, as an organization who, using a multidisciplinary team approach, provides children who are victims of abuse and their non-offending family members with:

- Support and advocacy;
- Specialized medical evaluation;
- Trauma-focused mental health services; and
- Forensic interviews.

Further defines a “children’s advocacy center” as providing multidisciplinary case review, and tracking and monitoring of case programs.

*Chapter 189, Article 15, Section 28  
Adds Minn. Stat. § 626.558, subd. 4  
Effective July 1, 2016*

Adds children’s advocacy centers to the definition of “community-based agency” that may be included in a multidisciplinary child protection team.

*Chapter 189, Article 15, Section 26*

*Amends Minn. Stat. § 626.558, subd. 1*

*Effective July 1, 2016*

Adds child’s advocacy centers to potential members of a multidisciplinary child protection team providing case consultation to community based agencies.

*Chapter 189, Article 15, Section 27*

*Amends Minn. Stat. § 626.558, subd. 2*

*Effective July 1, 2016*

#### **IX. AMERICAN INDIAN CHILD WELFARE INITIATIVES**

*Chapter 189, Article 23, Section 2 (HF 2749/SF 2356)*

*Uncodified Language*

*Effective July 1, 2016*

Appropriates one time funds for planning expansion efforts of the American Child Welfare Initiative authorized under existing law at Minn. Stat. § 256.01, subd. 14b. Of the \$800,000 appropriation, half is for grants to the Mille Lacs Band of Ojibwe, and the other half is for grants to the Red Lake Nation.

#### **X. CHILD FATALITY AND NEAR FATALITY REVIEW TEAMS**

*Chapter 163, Article 3, Section 6 (HF 3199/SF2414)*

*Amends Minn. Stat. § 256.01, subd. 12a*

*Effective August 1, 2016*

Creates data provisions regarding proceedings, records, disclosures and use of information or records from the child fatality and near fatality review team.

Provides that:

- Proceedings and records of the review team are protected nonpublic data as defined in Minn. Stat. § 13.02, subd. 13, and are not subject to discovery or introduction as evidence in a civil or criminal action against a professional, the state, or county agency arising out of matters the team is reviewing.
- Information, documents and records otherwise available from other sources aren’t immune from discovery solely because there were assessed or presented during the review team’s proceedings.
- Members of the review team must not disclose what transpired during the review, except to carry out the duties of the review team.
- A member of the review team, or a person who presented information to the review team, must not be prevented from testifying about matters within that person’s knowledge, but shall not be questioned about the person’s presentation of information to the review team or opinions formed by the person as a result of the review.

## **XI. MALTREATMENT OF MINORS STATUTE- RECODIFICATION**

*Chapter 153, Section 2 (HF2683 /SF 2428)*

*Uncodified Language*

*Requires bill language for introduction in the 2017 legislative session*

Requires the Revisor of Statutes, in consultation with DHS, Senate Counsel, and House Research to recodify the Maltreatment of Minors Act, Minn. Stat. § 626.556 and related statutes to:

- create internal consistency;
- eliminate redundant language;
- separate provisions regarding maltreatment investigations in institutions; and
- otherwise reorganize the statutes to facilitate legal interpretation and application.

## **XII. CHILD PROTECTION TASK FORCE**

*Chapter 153, Section 1 (HF 2683/SF 2428)*

*Uncodified Language*

*Effective May 23, 2016 (day following final enactment); task force expires December 31, 2020*

Expands and extends the work of the legislative Task Force on Child Protection. Requires the task force to meet at least quarterly.

Expands the work of the task force to additionally include:

- Review and recommend alternatives to law enforcement responses to maltreatment by removing the child, and evaluate situations where it may be more appropriate for a social worker or other child protection worker to remove the child from the home; and
- Clarify the definition of “substantial child endangerment” and provide language in bill form by January 1, 2017.

Expands task force membership from eight legislators to twelve legislators, and eliminates the requirement for the four legislators who served on the Governor’s Task Force on the Protection of Children.

Permits establishment of a work group to review the Minnesota Assessment of Parenting Children and Youth (MAPSY), which is the tool used to determine Northstar Care supplemental payments. The workgroup members must be appointed by the co-chairs of the task force and include:

- Two legislators;
- Two foster care providers;
- One therapist with experience providing services to foster children or foster families;
- One county social services agency staff member;
- One tribal social services agency staff member; and
- One DHS staff member with experience with the MAPSY tool

The work group must review use of the MAPSY tool and the results produced in determining supplemental benefits.

The work group may make recommendations for changes that should be made to the MAPSY assessment tool.

The work group must issue findings, recommendations and a report to the task force by December 1, 2016.

## **PUBLIC BENEFITS LAW**

Prepared by:

Jessica L. Webster, Staff Attorney

Legal Services Advocacy Project

651-842-6902

[jwebster@mnlisap.org](mailto:jwebster@mnlisap.org)

### **I. SEX TRAFFICKING SERVICES**

*Chapter 189, Article 15, Section 1 (HF2749)*

*Amends Minn. Stat. § 145.4716*

*Effective July 1, 2016*

Expands support services and housing eligibility for sex trafficking victims to age 24.

### **II. SNAP EMPLOYMENT AND TRAINING**

*Chapter 189, Article 15, Section 3 (HF2749)*

*Amends Minn. Stat. § 256D.051 subd 6b*

*Effective October 1, 2016*

Requires a DHS report to the Legislature by February 15, 2017 on the progress of securing additional federal reimbursement dollars for SNAP employment and training.

### **III. CHILD SUPPORT INCOME DISREGARD**

*Chapter 189, Article 15, Section 5 (HF2749)*

*Amends Minn. Stat § 256P.06 subd. 3*

*Effective July 1, 2016*

Clarifies that all child support received must be considered when implementing the child support income disregard – not only “current” support payments.

### **IV. FIRST THREE YEARS OF LIFE DEMONSTRATION PILOT**

*Chapter 189, Article 15, Section 29 (HF2749)*

*Effective August 16, 2016*

Establishes income and asset exceptions for families participating in the federally funded First Three Years of Life demonstration pilot. Applies the exceptions for eligibility and redetermination purposes for child care assistance, the Minnesota Family Investment Program, Work Benefit program, Diversionary Work Program, and public health care programs. Requires a DHS report to the Legislature regarding the progress and outcomes of the demonstration by January 1, 2023.

## UNEMPLOYMENT INSURANCE LAW

Prepared by:

Jessica L. Webster, Staff Attorney

Legal Services Advocacy Project

651-842-6902

[jlwebster@mnlisap.org](mailto:jlwebster@mnlisap.org)

### I. FEDERAL AND RAILROAD EMPLOYMENT CLARIFICATION

*Chapter 189, Article 9, Section 1 (HF2749)*

*Amends Minn. Stat. § 268.035, subd. 12*

*Effective July 31, 2016 and applies to all matters pending a determination*

Modifies what constitutes covered employment for “quit for better employment” purposes. Prior to this change, any federal or railroad employment could not be better employment by definition. If an applicant quit employment to work for the federal government or a railroad, and the job did not work out, the applicant was denied benefits.

### II. FRAUD OVERPAYMENT INELIGIBILITY

*Chapter 189, Article 9, Section 3 (HF2749)*

*Amends Minn. Stat. § 268.085, subd. 2*

*Effective July 31, 2016*

Clarifies that an applicant is not eligible for unemployment benefits any time during a week an applicant has an outstanding fraud overpayment balance.

### III. CONTINUED REQUEST FOR BENEFITS

*Chapter 189, Article 9, Sections 4 and 5 (HF2749)*

*Amends Minn. Stat. § 268.0865, subds. 3 and 4*

*Effective July 31, 2016*

Expands to four weeks the time an electronic or mailed continued request for unemployment benefits may be filed.

### IV. QUIT AND DISCHARGE DEFINED

*Chapter 189, Article 9, Sections 6 and 7 (HF2749)*

*Amends Minn. Stat. § 268.095, subds. 2 and 5*

*Effective July 31, 2016*

Clarifies that the theories of constructive quit and constructive discharge do not apply in quit and discharge determinations. Makes technical changes to quit and discharge definitions. Strikes the good cause requirement that a good cause reason be “significant.”



**V. UI OVERPAYMENT REPAYMENT**

*Chapter 189, Article 9, Section 8 (HF2749)*

*Amends Minn. Stat. § 268.18*

*Effective July 31, 2016*

Rewrites the section regarding repayment of unemployment overpayments.

**VI. NARROW UNEMPLOYMENT EXTENSION**

*Chapter 189, Article 9, Section 9 (HF2749)*

*Amends Session Laws 2015, First Special Session Chapter 1, Article 6, Section 16*

*Effective May 25, 2016 and applies retroactively*

Extends the expiration of special unemployment benefit assistance to December 1, 2016.

**VI. EARNINGS DEFINED**

*Chapter 189, Article 10, Section 1 (HF2749)*

*Adds Minn. Stat. § 268.035, subd. 12e*

*Effective July 31, 2016*

Defines earnings as all compensation to which an applicant has a legal claim and is earned under state and federal law for income tax purposes.

**VII. NONCOVERED EMPLOYMENT**

*Chapter 189, Article 10, Section 2 (HF2749)*

*Amends Minn. Stat. § 268.035, subd. 20*

*Effective July 31, 2016*

Strikes from noncovered employment: (1) employment for an instrumentality wholly owned by a foreign government if specific conditions are met, and (2) employment covered by a reciprocal arrangement between the commissioner and another state or federal government. Makes technical rewrites to definitions referencing employment for the state, a political subd., or nonprofit organization.

**VIII. TAX RATE FOR NEW EMPLOYERS**

*Chapter 189, Article 11, Section 1 (HF2749)*

*Amends Minn. Stat. § 268.051, subd. 5*

*Effective January 1, 2018*

Modifies the mechanism for determining experience tax rates for new employers.

**IX. APPLICATION BACKDATING**

*Chapter 189, Article 11, Section 2 (HF2749)*  
*Amends Minn. Stat. § 268.07, subd. 3b*  
*Effective July 31, 2016*

Allows an applicant to backdate a benefits application one week if the request is filed within seven days of the date the application is filed.

**X. QUIT FOR BETTER EMPLOYMENT**

*Chapter 189, Article 11, Section 3 (HF2749)*  
*Amends Minn. Stat. § 268.095, subd. 1*  
*Effective July 31, 2016*

Strikes the requirement that an applicant accept other employment providing “substantially” better terms and conditions of employment. Changes the requirement to “equal to or” better terms and conditions. Strikes the term “because” from a 30 day quit that is unsuitable. Strikes “for the applicant” from the definition of employment that was unsuitable. Clarifies that to retain eligibility when quitting to relocate with a spouse, the spouse must be in the military or the spouse must be transferred to a “new” location making it impractical to commute.

**XI. FRAUD DETERMINATIONS**

*Chapter 189, Article 11, Sections 4 and 5 (HF2749)*  
*Amends Minn. Stat. § 268.101, subd. 2; §268.182, subd 2*  
*Effective July 31, 2016*

Clarifies that an ineligibility determination due to fraud and corresponding administrative penalty may be made within 48 months rather than “four years.” Strikes a notice requirement for employers.

## UTILITIES LAW

Prepared by:

Ron Elwood, Supervising Attorney

Legal Services Advocacy Project

651-842-6909

[relwood@mnlsap.org](mailto:relwood@mnlsap.org)

### I. TELEPHONE INDUSTRY REGULATORY REFORM (“CENTURY LINK BILL”)

*Chapter 115 (HF 1066)*

*Amends Minn. Stat. § 237.021*

*Adds Minn. Stat. § 237.025*

*Effective May 20, 2016*

Fundamentally alters the telecommunications regulatory regime by providing the opportunity for Incumbent Local Exchange Carriers (ILECs) to petition the Minnesota Public Utilities Commission for relaxed regulation in the same manner in which Competitive Local Exchange Carriers (CLECs) are regulated. Preserves the “obligation to serve,” protects the availability and affordability of basic local phone service, and maintains all existing consumer protections and service quality requirements.

*Notes:*

- *An Incumbent Local Exchange Carrier or ILEC is a “legacy” local phone company that was operating at the time of the breakup of AT&T into regional Bell Operating Companies (e.g., Northwestern Bell, which ultimately became Century Link). They also include dozens of small, rural phones companies (e.g., Paul Bunyan Rural Telephone Company). They were the companies that created the physical telephone network and operated under a regional franchise monopoly prior to the enactment of the federal Telecommunications Act of 1996 that introduced competition into the local phone service market. Until recently, when many states have moved to deregulate or reduce regulation for these companies, they operated under a fully rate regulated, rate-of-return regulatory system.*
- *A Competitive Local Exchange Carrier or CLEC is a telephone company that competes with a “legacy” company for residential or business customer local phone service business. CLECs were authorized under the Telecommunications Act of 1996 and, while subject to such requirements as service quality rules and disconnection requirements, they are typically less rate regulated. They frequently purchase access to phone lines from the legacy companies in order to bring service to their end-use customers.*

#### A. Applicability

Governs local phone service providing to: (1) residential customers; and (2) business customers with fewer than three lines.

*Adds Minn. Stat. § 237.025, subd. 2*

**B. Petition**

Permits an ILEC to petition to the Minnesota Public Utilities Commission (PUC) be relieved of rate-of-return regulation and earnings reviews and otherwise be regulated with respect to the provision of local phone service to applicable customers in the same manner as CLECs. Specifies contents of the petition.

*Adds Minn. Stat. § 237.025, subd. 2*

**C. Approval**

Provides that a petition will be approved if: (1) no party objects within 45 days of filing (and if there is an objection, that the PUC must make a final determination within 180 days of the filing); or (2) if the petitioner meets a specified list of “competitive criteria.”

*Adds Minn. Stat. § 237.025, subd. 2*

**D. Competitive Criteria**

Provides that a petition will be approved if the petitioner demonstrates that either: (1) it serves fewer than 50% of the households in the exchange service area in which it seeks relief and 60% of the households can choose local phone service from at least one competitor (which may be wireless); or (2) it services more than 50% of the households in the exchange service area and: (i) 60% of households can choose local phone service from at least one competitor (including wireless); (ii) no significant economic, technological, or other barriers to market entry and exit exist; and (iii) no single provider has the ability to maintain prices above competitive levels for a significant period of time or otherwise deter competition. Places the burden of proof on the petitioner.

*Adds Minn. Stat. § 237.025, subd. 2*

**E. Consumer Protections**

1. Obligation to Serve

Expressly requires that ILECs retain the existing obligation to serve all customers requesting service.

*Adds Minn. Stat. § 237.025, subd. 9*

2. Basic Local Service

a. *Definition*

Defines basic local service to include: (1) single party voice-grade service and touch-tone capability; (2) access to the public switched network; (3) 911 or enhanced 911 access; and (4) telecommunications relay service capability and access necessary to comply with state and federal regulations.

*Adds Minn. Stat. § 237.025, subd. 8(a)*

- b. **Price (Affordability) Protection**  
Protects the price (affordability) of service in the following ways: (1) freezes current prices through December 31, 2017; (2) on or after January 1, 2018 through December 31, 2022, each year basic local service rates may not be increased on a per month basis by more than \$2.00, up to a cap of \$25; and (3) on or after January 1, 2023, each year basic local service rates may not be increased by more than \$2, unless the PUC determines the rate would cause “substantial consumer harm.”  
*Adds Minn. Stat. § 237.025, subd. 8(b)*

- 3. **Other Consumer Protections**  
Preserves all existing consumer protections in the following areas: (1) billing; (2) disconnections; (3) service quality (e.g., response time to reconnect service in an outage; (4) slamming (i.e., unauthorized switching of carriers); (5) cramming (i.e., the addition of charges from the phone company that are not required and for which the customer did not contact; (6) unauthorized charges (i.e., the addition of third-party charges for which the customer did not contract); (7) Telephone Assistance Program (i.e., state LifeLine Program); and (8) Telephone Access Minnesota (i.e., the program to provide equipment and services for persons who are hard of hearing).  
*Adds Minn. Stat. § 237.025, subd. 6*

**F. Reexamination of Competitive Markets**

Authorizes the PUC – either upon petition or on its own motion – to open a proceeding to examine whether the competitive criteria continue to be met and, if not, determine the appropriate level of regulation.  
*Adds Minn. Stat. § 237.025, subd. 11*

**II. RURAL CALL COMPLETION**

*Chapter 115 (HF 1066)*

*Adds Minn. Stat. §§ 237.01, subds. 6a, 6b, and 9; 237.131; and 237.132*

*Effective May 20, 2016*

Enacts registration and regulatory requirements to address a concern that has arisen involving residential and business customers in rural Minnesota who are reporting significant problems receiving long distance or wireless calls on their landline telephones.

**A. Registration of Intermediate Carriers**

Requires carriers who transport phone calls between the originating company and the terminating company (defined as “wholesale transport providers”) to register with the PUC.

*Adds Minn. Stat. § 237.132 (Registration Requirement)*

*Adds Minn. Stat. § 237.01, subd. 9 (Definition of Wholesale Transport Provider)*

**B. Prohibitions**

Prohibits any phone service provider from routing calls within the state that result in the failure of calls to be delivered to a terminating local company. Prohibits any phone service provider from knowingly contracting with an intermediate (wholesale transport) provider that is not registered with the PUC.

*Adds Minn. Stat. § 237.131*

**III. Border-to-Border Broadband Development Fund**

*Chapter 189, Article 5, Sections 1, 2, and 9 (HF 2749)*

*Amends Minn. Stat. §§ 116J.394; and 237.012*

*Uncodified Section*

*Effective May 25, 2016*

**A. Broadband Appropriation for Low-Income and Underserved Communities**

1. Broadband Appropriation for Low-Income Communities

Allows \$500,000 of the total appropriation of \$35 million for broadband expansion to be awarded to projects to expand the availability and adoption of broadband service to areas that contain a significant proportion of low-income households.

*Note: "Low-income households" are defined as households at or below 200% of federal poverty guidelines.*

2. Broadband Appropriation for Underserved Areas

Allows up to \$5,000,000 of the total appropriation of \$35 million for broadband expansion to be used for grants to underserved areas. Raises the broadband speed requirements under the definition of "underserved areas": (1) from 10 to 20 megabits per second to 100 megabits per second for downloading; and (2) from 5 to 10 megabits per second to at least 20 megabits per second for uploading.

*Note: An "underserved area" is an area of Minnesota in which households or businesses lack access to wire-line broadband service at the specified speeds.*

*Amends Minn. Stat. § 116J.394(h) (Definition of "Underserved Areas")*

**B. Broadband Goals**

Modifies state broadband goals and penetration. Provides that: (1) no later than 2022, all Minnesota businesses and homes have access to high-speed broadband that provides minimum download speeds of at least 25 megabits per second and minimum upload speeds of at least three megabits per second; and (2) no later than 2026, all Minnesota businesses and homes have access to at least one provider of broadband with download speeds of at least 100 megabits per second and upload speeds of at least 20 megabits per second.

*Amends Minn. Stat. § 237.012, subd. 1*

## VULNERABLE ADULTS AND CHILDREN

Prepared by:

Ron Elwood, Supervising Attorney

Legal Services Advocacy Project

651-842-6909

[relwood@mnlsap.org](mailto:relwood@mnlsap.org)

### I. RESIDENTIAL CARE AND SERVICES ELECTRONIC MONITORING WORK GROUP

*Chapter 179, Section 39 (HF 3142)*

*Uncodified Section*

*Effective June 1, 2016*

#### A. Work Group Established

Establishes a Residential Care and Services Electronic Monitoring Work Group to create recommendations for legislation that authorizes the use of voluntary electronic monitoring to protect vulnerable children and adults and hold accountable perpetrators of abuse. Requires a report to the Legislature by January 15, 2017.

#### B. Members

Names the following as members of the work group: (1) a bipartisan group of four legislators, two from the House of Representatives, two from the Senate; (2) the Department of Health; (3) the Department of Human Services; (4) the Ombudsman for Long-Term Care; (4) AARP; (5) a nonprofit focusing on Alzheimer's disease; (6) a representative of the county attorneys; (7) a representative of consumers or victims; (8) a representative of direct-care workers; (9) a representative with legal expertise on medical privacy; and (10) representatives from: (i) Care Providers of Minnesota; (ii) LeadingAge; (iii) the Minnesota Home Care Association.