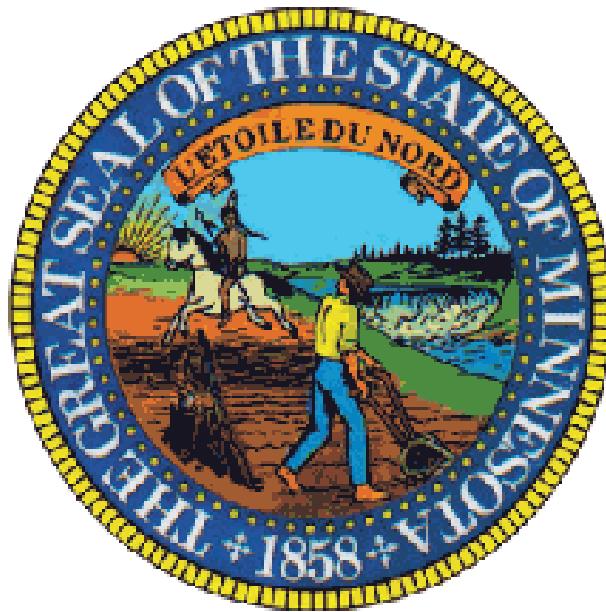


**MINNESOTA  
COMMUNITY SERVICES BLOCK GRANT  
FFY2014/2015 STATE PLAN**



Office of Economic Opportunity  
**MINNESOTA DEPARTMENT  
OF  
HUMAN SERVICES**

**Minnesota Community Services Block Grant  
FFY2014/2015 State Plan**

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## **VI. Appendices**

## **I. Federal Fiscal Years Covered by this State Plan and Application**

The Minnesota plan and application covers FFY2014/2015.

## **II. Letter of Transmittal**

See cover letter attached to the Plan.

## **III. Executive Summary**

This document has been prepared by the Minnesota Department of Human Services (DHS)/Office of Economic Opportunity (OEO) for submission to the U. S. Department of Health and Human Services (DHHS) to express Minnesota's desire to receive an allotment for FFY2014/2015 under the Community Services Block Grant (CSBG) Act (P.L. 97-35, Subtitle B as amended by P.L. 105-285). These funds are to be used for CSBG programs throughout Minnesota.

### **Poverty in Minnesota**

As Minnesota emerges from the Great Recession, all Minnesotans are not experiencing the recovery. People across the state are living in poverty and struggling to make ends meet. Many of these people are low-wage workers, families with children, and seniors. The costs of housing, health care, transportation and child care make it difficult for these households to meet their basic needs let alone get ahead.

The following section describes current trends related to poverty in Minnesota.

*Household incomes and poverty rates have stabilized, but not improved.*

Over the last two years, the negative trends in household incomes and poverty that were precipitated by the Great Recession have begun to stabilize. Data from the U.S. Census' most recent American Community Survey shows that Minnesota was one of 32 states in which median incomes and poverty rates remained steady between 2010 and 2011. In 2011, the state's median income remained nearly \$57,000 and median income among families remained nearly \$71,300. At the same time, Minnesota's poverty rate remained near 12% with nearly 622,000 Minnesotans lived in poverty. In 2011, the federal poverty threshold was \$22,350 for a family of four. While the poverty rate appears to have stabilized, it remains more than 4 percentage points above the pre-recession low of 8% in 2003.

*Poverty is not evenly distributed across the state.*

The statewide poverty rate masks the fact that poverty is not uniformly spread across the state. Poverty rates are higher in the cities of Minneapolis and Saint Paul, some rural counties in greater Minnesota, and on and near American Indian reservations. The highest poverty rates in the state include rural counties, such as Nobles (18%), Blue Earth (19%), Beltrami (20%) and Mahnomen (24%) counties. In contrast, the lowest poverty rates in the state include metro counties, such as Carver (5%), Scott (5%) and Washington (5%) counties.

*Poverty is increasingly suburbanized in the Twin Cities metro area.*

Since 2000, the suburban share of the Twin Cities metro area's poor has significantly increased. Analysis of 2008 data showed that poverty rates in Hennepin and Ramsey Counties were highest in the metro area and higher than the statewide rate, but that the overall share of the metro area's poor was larger in the suburbs. By 2008, 54% of poor individuals lived in the suburbs compared to 46% in the central Twin Cities. The suburbs are now home to the largest and fastest-growing poor population.

*Racial disparities in poverty rates and household incomes persist.*

While Minnesota's median income is \$7,000 higher than the U.S. median income, not all Minnesotans share in this advantage. Statewide data masks significant racial and ethnic disparities in poverty and income. In fact, poverty rates for American Indians, Asians, African-Americans and Hispanics in Minnesota are significantly higher than the national average for these communities. In 2011, 17% of Asians, one-quarter (25%) of Hispanics and about 40% of American Indians and African-Americans lived in poverty in Minnesota. The median income for American Indians was \$26,922, African-Americans was \$29,266 and Hispanics was \$37,795, while the median income for non-Hispanic white households was significantly higher at \$59,870. In particular, American Indians have experienced dramatic declines since the beginning of the Great Recession with a 10 point increase in the poverty rate and a \$9,000 decrease in median income.

#### *2011 MN Median Income, Poverty Rate & Child Poverty Rate by Race & Ethnicity*

	Median Income	Poverty Rate	Child Poverty Rate (Under 18 years of age)
All Minnesotans	\$56,954	12%	15%
White (non-Hispanic)	\$59,870	9%	10%
American Indian	\$26,922	41%	49%
Asian	\$59,697	17%	23%
Black/African-American	\$29,266	37%	46%
Hispanic/Latino	\$37,795	25%	30%

Persistent racial disparities have in part been driven by high levels of unemployment. In 2011, unemployment rates for African-Americans (20%) and American Indians (18%) were more than twice the rates for white (7%) and Asian (8%) workers in Minnesota. The disparity is most significant for American Indians with a 53% unemployment rate in 2011.

*Families with children are more likely to be poor.*

Among Minnesota's families, 5% of married couple, 8% of all families and 13% of families with related children under 18 years of age live in poverty. Poverty rates for single parent, female-headed households with related children under 18 years of age are much higher with one-third (35%) of this population living in poverty.

*Children are disproportionately poor.*

Children remain the poorest age group in Minnesota. About 15% of children were poor compared to 11% of people ages 18-64, and 8% of ages 65 and older. In 2011, 194,260 children under 18 years of age lived in poverty. Children of color have particularly high poverty rates. Nearly one-half of American Indian (49%) and Black (46%) children live in poverty. Similarly, almost one-third of Hispanic (30%) and one-quarter of Asian children (23%) children live in poverty. In comparison, one out of 10 (10%) of white children live in poverty. The Great Recession and the current recovery have impacted children more than any other age group. Between 2005 and 2011, the percentage of children in poverty increased 25%. It is estimated that child poverty costs Minnesota \$5.7 billion each year in terms of lost productivity and earnings and greater criminal justice and healthcare costs.

*Employment does not guarantee economic security.*

Earned income does not always provide a path out of poverty. Nearly one-third (27%) of Minnesota children in poor families have at least one parent who is employed full-time, year-round and 47% have at least one parent who is employed either part-year or part-time. Similarly, half of Minnesotans aged 16 or older living in poverty worked during the year (generally part-time or part-year), but did not earn sufficient income to rise above the poverty line.

As the economy has struggled to recover, unemployment and underemployment have persisted and wages have stagnated. Many low-wage workers, who may not be considered "officially" poor by federal standards, also struggle to make ends meet and face chronic economic insecurity. The federal poverty guideline's low threshold means many families living officially above the poverty line also face economic insecurity. Research suggests that, on average, families need incomes about twice the federal poverty level to meet their basic needs. Low-income people, those living below 200% of the federal poverty level, include one out of four Minnesotans.

According to the Jobs Now Coalition, in Minnesota the average cost of covering basic needs for a family of four where both parents work is \$58,363 per year. This means each parent would have to earn an hourly wage of \$14.03, but 39% of jobs in Minnesota pay less than this. Approximately 27% of Minnesota families (with children, at least one of whom is in childcare) are not earning enough to meet their basic needs. Safety net programs reduced income poverty during the Great Recession.

Poverty rates would have been significantly higher without safety net programs and temporary Recovery Act initiatives. The Supplemental Poverty Measure developed by the U.S. Census shows that work and income supports alleviate economic hardship and keep many families out of poverty. Nationally, in 2011 refundable tax credits for working families, such as the Earned Income Tax Credit (EITC) and Child Tax Credits, lifted 8.7 million people out of poverty and the child poverty rate would have been 6.3 percentage points higher without them. Similarly, the Supplemental Nutrition Assistance Program (SNAP) lifted 4.7 million people out of poverty and without it the child poverty rate would have 2.9 percentage points higher.

Safety net programs are increasingly important as medical and work related expenses push many people into poverty. Nationally, the senior poverty rate would be nearly cut in half (15% to 8%) if out-of-pocket medical expenses were eliminated. Similarly, work related expenses, such as transportation and child care expenses erode the economic security of working families. Nationally, job related costs pushed 5.2 million people into poverty in 2011.

*Asset poverty increased during the Great Recession.*

While income poverty is defined by whether a household's income is below the federal poverty threshold, asset poverty measures whether a household has sufficient net worth to live at the poverty level for three months in the absence of any income. In 2011, a family of three with net worth less than \$4,632 was defined as asset poor. Between 2007 and 2010, asset poverty increased nationwide as home values fell, stock prices fluctuated and savings decreased due to unemployment and underemployment. By 2010, one of every five U.S. families (20%) was asset poor in comparison to 16% in 2007.

Increases in asset poverty were identified for families of all income levels and all racial and ethnic groups, but low-income and people of color had higher rates of asset poverty. Prior to and after the Great Recession, African-American and Hispanic families were twice as likely as white families to be asset poor. Mid-aged families (aged 30 to 61) were particularly affected by large increases in asset poverty as the decline in the housing market most negatively affected home owners. Unlike income poverty which is traditionally addressed by safety net programs, asset poverty requires a different public policy response; a response that promotes personal finance education, savings and asset building opportunities.

## Poverty's impact on Minnesota's 11 Reservations

There are 11 Tribal nations in Minnesota. Poverty rates on Minnesota's 11 reservations, even with the persistent problem of undercounts of poverty on reservations by the Census, are significantly higher than statewide Minnesota rates. Below is an overview of poverty for each of Minnesota's 11 Tribal nations.

### *Bois Forte Reservation*

In comparison to 11.0% of all Minnesotans, 17.6% of people on the Bois Forte reservation live in poverty. The poverty rate for children under the age of 18 is slightly lower than the statewide rate at 12.5%, but more than double (18.9%) for people age 65 and over. While 12.1% of all families live in poverty, the rate for female-headed families with related children under 18 years is significantly higher at 21.4%.

Percentage of People and Families with Income Below the Poverty Level in the Past 12 months		
	MN	Bois Forte
<b>All People</b>	11.0%	17.6%
<b>Under 18 Years</b>	14.0%	12.5%
<b>65 Years and Older</b>	8.3%	18.9%
<b>All Families</b>	7.1%	12.1%
<b>Families with Related Children under 18 years</b>	11.6%	10.0%
<b>Female Headed Families with Related Children under 18 years</b>	34.7%	21.4%

### *Fond du Lac Reservation*

In comparison to 11.0% of all Minnesotans, 22.4% of people on the Fond du Lac reservation live in poverty. The poverty rate for children under the age of 18 is double the statewide rate at 29.9% and the rate for people age 65 and over is also higher at 12.3%. About 21% of all families live in poverty and the rate for female-headed families with related children under 18 years is nearly 60%.

Percentage of People and Families with Income Below the Poverty Level in the Past 12 months		
	MN	Fond du Lac
<b>All People</b>	11.0%	22.4%
<b>Under 18 Years</b>	14.0%	29.9%
<b>65 Years and Older</b>	8.3%	12.3%
<b>All Families</b>	7.1%	20.7%
<b>Families with Related Children under 18 years</b>	11.6%	30.8%
<b>Female Headed Families with Related Children under 18 years</b>	34.7%	58.8%

#### *Grand Portage Reservation*

In comparison to 11.0% of all Minnesotans, 14.4% of people on the Grand Portage reservation live in poverty. The poverty rate for children under the age of 18 is slightly higher than the statewide rate at 15.9%, but nearly double (15.4%) for people age 65 and over. While 9.9% of all families live in poverty, nearly twenty percent (17.5%) of families with related children under 18 years are below the poverty level.

Percentage of People and Families with Income Below the Poverty Level in the Past 12 months		
	MN	Grand Portage
<b>All People</b>	11.0%	14.4%
<b>Under 18 Years</b>	14.0%	15.9%
<b>65 Years and Older</b>	8.3%	15.4%
<b>All Families</b>	7.1%	9.9%
<b>Families with Related Children under 18 years</b>	11.6%	17.5%
<b>Female Headed Families with Related Children under 18 years</b>	34.7%	Data Unavailable

#### *Leech Lake Band of Ojibwe*

In comparison to 11.0% of all Minnesotans, 22.7% of people on the Leech Lake Band of Ojibwe live in poverty. The poverty rate for children under the age of 18 is more than double the statewide rate at 36.0%, but only slightly higher (9.9%) for people age 65 and over. While 17.0% of all families live in poverty, the rate for female-headed families with related children under 18 years is significantly higher at 46.0%.

Percentage of People and Families with Income Below the Poverty Level in the Past 12 months		
	MN	Leech Lake
<b>All People</b>	11.0%	22.7%
<b>Under 18 Years</b>	14.0%	36.0%
<b>65 Years and Older</b>	8.3%	9.9%
<b>All Families</b>	7.1%	17.0%
<b>Families with Related Children under 18 years</b>	11.6%	26.0%
<b>Female Headed Families with Related Children under 18 years</b>	34.7%	46.0%

#### *Lower Sioux Indian Community*

In comparison to 11.0% of all Minnesotans, 42.0% of people on the Lower Sioux Indian Community live in poverty. The poverty rate for children under the age of 18 is nearly three times the statewide rate at 38.9% and more than double (19.2%) for people age 65 and over. Nearly forty-percent (38.2%) of all families live in poverty, while the rate for female-headed families with related children under 18 years is slightly lower than the statewide rate at 12.5%.

Percentage of People and Families with Income Below the Poverty Level in the Past 12 months		
	MN	Lower Sioux
<b>All People</b>	11.0%	42.0%
<b>Under 18 Years</b>	14.0%	38.9%
<b>65 Years and Older</b>	8.3%	19.2%
<b>All Families</b>	7.1%	38.2%
<b>Families with Related Children under 18 years</b>	11.6%	35.4%
<b>Female Headed Families with Related Children under 18 years</b>	34.7%	12.5%

#### *Mille Lacs Band of Ojibwe Indians*

In comparison to 11.0% of all Minnesotans, 22.7% of people on the Mille Lacs reservation live in poverty. The poverty rate for children under the age of 18 is more than double the statewide rate at 36.2% and slightly higher (12.9%) for people age 65 and over. While 16.1% of all families live in poverty, the rate for female-headed families with related children under 18 years is significantly higher at 49.5%.

Percentage of People and Families with Income Below the Poverty Level in the Past 12 months		Mille Lacs
	MN	Mille Lacs
<b>All People</b>	11.0%	22.7%
<b>Under 18 Years</b>	14.0%	36.2%
<b>65 Years and Older</b>	8.3%	12.9%
<hr/>		
<b>All Families</b>	7.1%	16.1%
<b>Families with Related Children under 18 years</b>	11.6%	32.0%
<b>Female Headed Families with Related Children under 18 years</b>	34.7%	49.5%

#### *Prairie Island Indian Community*

Despite the high median household income at Prairie Island Community, poverty remains a problem for a significant number of households and affects the health and well-being of the entire community. In comparison to 11.0% of all Minnesotans, 37.8% of people on the reservation live in poverty. The estimate for the poverty rate of children under the age of 18 is 47.6% and 37.0% for people age 65 and over. While 20.4% of all families live in poverty, the rate for families with related children under 18 years is significantly higher at 37.0%.

Percentage of People and Families with Income Below the Poverty Level in the Past 12 months		
	MN	Prairie Island
<b>All People</b>	11.0%	37.8%
<b>Under 18 Years</b>	14.0%	47.6%
<b>65 Years and Older</b>	8.3%	21.4%
<hr/>		
<b>All Families</b>	7.1%	20.4%
<b>Families with Related Children under 18 years</b>	11.6%	37.0%

#### *Red Lake Band of Chippewa Indians*

In comparison to 11.0% of all Minnesotans, 43.8% of people on the Red Lake Band of Chippewa Indians live in poverty. The poverty rate for children under the age of 18 is four times higher than the statewide rate at 57.5% and three times higher (26.1%) for people age 65 and over. While 38.8% of all families live in poverty, the rate for female-headed families with related children under 18 years is significantly higher at 62.8%.

Percentage of People and Families with Income Below the Poverty Level in the Past 12 months		
	MN	Red Lake
<b>All People</b>	11.0%	43.8%
<b>Under 18 Years</b>	14.0%	57.5%
<b>65 Years and Older</b>	8.3%	26.1%
<b>All Families</b>	7.1%	38.8%
<b>Families with Related Children under 18 years</b>	11.6%	48.1%
<b>Female Headed Families with Related Children under 18 years</b>	34.7%	62.8%

#### *Shakopee Mdewakanton Sioux Community*

Despite the high median household income in the Shakopee Mdewakanton Sioux Community, poverty remains a problem for a significant number of households and affects the health and well-being of the entire community. In comparison to 11.0% of all Minnesotans, 13.1% of people on the reservation live in poverty. The poverty rate for children under the age of 18 is slightly higher than the statewide rate at 16.4%, but almost three times as high (22.6%) for people age 65 and over. The poverty rate for female-headed families with related children under 18 years is 9.1%, slightly lower than the 12.8% rate for all families.

Percentage of People and Families with Income Below the Poverty Level in the Past 12 months		
	MN	Shakopee Mdewakanton Sioux Community
<b>All People</b>	11.0%	13.1%
<b>Under 18 Years</b>	14.0%	16.4%
<b>65 Years and Older</b>	8.3%	22.6%
<b>All Families</b>	7.1%	12.8%
<b>Families with Related Children under 18 years</b>	11.6%	9.1%
<b>Female Headed Families with Related Children under 18 years</b>	34.7%	9.1%

#### *Upper Sioux Community*

In comparison to 11.0% of all Minnesotans, 9.7% of people on the Upper Sioux Community live in poverty. The poverty rate for children under the age of 18 is also

slightly lower than the statewide rate at 13.0%. Nearly one in ten families (8.8%) live in poverty.

Percentage of People and Families with Income Below the Poverty Level in the Past 12 months		
	MN	Upper Sioux
<b>All People</b>	11.0%	9.7%
<b>Under 18 Years</b>	14.0%	13.0%
<b>65 Years and Older</b>	8.3%	Data Unavailable
<b>All Families</b>	7.1%	8.8%
<b>Families with Related Children under 18 years</b>	11.6%	7.1%
<b>Female Headed Families with Related Children under 18 years</b>	34.7%	Data Unavailable

#### *White Earth Reservation*

In comparison to 11.0% of all Minnesotans, 24.6% of people on the reservation live in poverty. The poverty rate for children under the age of 18 is more than double the statewide rate at 35.4% and also higher for people age 65 and over at 11.3%. While 19.1% of all families live in poverty, the rate for female-headed families with related children under 18 years is dramatically higher at 52.4%.

Percentage of People and Families with Income Below the Poverty Level in the Past 12 months		
	MN	White Earth
<b>All People</b>	11.0%	24.6%
<b>Under 18 Years</b>	14.0%	35.4%
<b>65 Years and Older</b>	8.3%	11.3%
<b>All Families</b>	7.1%	19.1%
<b>Families with Related Children under 18 years</b>	11.6%	30.5%
<b>Female Headed Families with Related Children under 18 years</b>	34.7%	52.4%

Households experiencing poverty face a variety of challenges in meeting their basic needs and accessing opportunities for economic mobility. Poverty has particularly negative effects on children who may not receive adequate access to healthy food, preventative health care, high-quality educational opportunities and enrichment programs. Children, seniors and families living in poverty need services that not only

meet their short-term needs, but also provide opportunities for them to help themselves and improve their economic security.

Barriers to economic security in areas such as education, employment and housing disproportionately impact Minnesota's Tribal communities as well.

#### *Education*

For many tribal members, low levels of educational attainment and training limit access to employment and other economic opportunities. Of adults 25 years and over, 16.3% have not graduated from high school. More than one-third (37.8%) are high school graduates and 19.9% have an associate's degree or higher. Civilian veterans make up 11.9% of the population. Lower educational levels are strongly related to poverty and economic insecurity. However, even individuals with higher levels of education face limited employment opportunities in the area. Available jobs do not necessarily compensate higher levels of education at the level required to lift families out of poverty or provide long-term career advancement and economic mobility.

#### *Employment*

Despite some successes in terms of casino employment, economic and employment development remain significant areas of need for many Tribal nations. Chronic unemployment and underemployment are ongoing concerns. Unemployment estimates from the 2007-2011 American Community Survey indicate 13.4% of people are out of work. This is significantly higher than Minnesota's statewide unemployment rate of 6.9% during the same period. While unemployment rates peaked during the Great Recession, job and wage stagnation remain significant concerns due to the slow recovery. While some job growth is emerging, underemployment remains a significant problem.

#### *Housing*

Securing and maintaining affordable housing remains a challenge for a significant portion of households. Many people pay more than 30% of their household income on housing, the common benchmark of affordability, including: 31.3% of homeowners with a current mortgage, 20.7% of homeowners without a current mortgage, and 45.3% of renters. High housing costs coupled with escalating energy prices stress the tight budgets of many families. Finally, 61.2% of the community's housing stock is built before 1980. Older housing tends to be less energy efficient and more costly to heat and cool. Housing related services are essential to addressing these challenges.

### **Expanding economic opportunity to reduce poverty**

Community Action strives to serve the diverse needs of people experiencing poverty. As families struggle to make ends meet, they turn to Community Action to meet their household needs and to improve their economic opportunities. Minnesota Community Action has made significant investments in expanded services to meet the increased and sustained demand for economic opportunity services. These efforts are helping people to help themselves by mitigating the effects of poverty and by providing the opportunities that people need to get ahead and achieve greater economic security.

For Minnesota's 11 Tribal nations, limited employment opportunities, particularly jobs providing adequate income, result in many households struggling to make ends meet. Community Services Block Grant and Minnesota Community Action funding provide important resources to the reservation. This funding helps to address the needs of children, seniors and families by providing services that meet basic needs and improve long-term economic security.

Community Action develop local community needs assessments to develop projects that address the most urgent economic and employment needs in their communities. Many initiatives provide direct services, while others mobilize additional resources and foster greater community involvement.

#### **A. Statutory Authority of the State - CSBG State Legislation**

Minnesota has a history of commitment to the work of removing the social and economic barriers that prevent poor and disadvantaged citizens from achieving self-sufficiency and self-determination.

In 1981 the Minnesota Legislature passed the Minnesota Community Action Act. This Act was renumbered in 2006 to [Minnesota Statutes \(M.S.\) 256E.30-32](#) (Appendix A). The law was enacted "to strengthen, supplement, and coordinate efforts that further the policies of the State to help develop the full potential of each of its citizens, so that they can live in decency and dignity, and so they can contribute to the strength of the state as a whole."

This State law recognizes and describes the particular role of Community Action Agencies and Tribal Governments. The law defines Community Action grantee functions, powers, components, and administration. In addition, the law requires coordination among business, labor, and private groups, with public officials and service agencies, and the mobilization of private resources at the local level to seek solutions to the problems of poverty. The law requires participation by the poor and by community-based organizations in the planning, governance, and evaluation of Community Action programs. It is this involvement by the poor in the planning, governance and evaluation that makes Community Action unique.

The Minnesota Community Action Act is central to the Community Services Block Grant in Minnesota because it provides the mechanism for the State to provide funds to grantees, and to carry out Community Action programs. Block grant funds are allotted in accordance with the requirements of the federal CSBG law, and in accordance with Minnesota State Statutes.

Refer to Appendix A for the entire text of Minnesota Statutes regarding Community Action. Minnesota's Community Action statute can be found on-line at:

<https://www.revisor.leg.state.mn.us/statutes/?id=256E>

## **B. Designation of Lead State Agency to Administer CSBG Program**

The Governor has designated the Minnesota Department of Human Services (DHS) as the lead state agency to administer the Community Services Block Grant program in Minnesota. Within DHS, the Office of Economic Opportunity (OEO) has responsibility for operating the state's anti-poverty activity.

Refer to Appendix B for the signed Governor's Designation letter.

## **C. Public Hearing Requirements**

Below is a description and references to supporting documentation demonstrating how Minnesota complied with the public and legislative hearing requirements of the CSBG Act regarding the State Application and Plan.

### **1. Public Hearing**

The public hearing for the FFY 2014-15 CSBG State Plan was held on August 20, 2013 in St. Paul, Minnesota. Notice of this meeting was distributed statewide via the July 22, 2011 State Register (see Appendix C). The minutes from this hearing can be found in Appendix D.

### **2. Legislative Hearing**

In 2013, the Minnesota State Legislature held public hearings regarding the Community Services Block Grant and the Minnesota Community Action Grant. House of Representatives' hearings were held on January 23, 2013, before the Housing Finance and Policy Committee, and on March 8, 2013 in the Health and Human Services Policy Committee (see hearing agendas in Appendix E). A Senate hearing was held on February 18, 2013 before the Health, Human Services and Housing Committee (see hearing agenda in Appendix E).

### **3. Public Inspection of State Plan**

Minnesota has made the FFY 2014-15 State CSBG Plan available for public inspection by placing it on MinnCAP's website, [www.minnicap.org](http://www.minnicap.org), and notice of its availability for review and comment was made in the July 22, 2013 issue of the State Register (see Appendix D).

The plan was also distributed to and available for public review and comment at CSBG grantee offices. Plan changes are considered within applicable laws and policies.

Copies are available from the Minnesota Department of Human Services, Office of Economic Opportunity, PO Box 64962, St. Paul, Minnesota 55164-0962 or from any Minnesota CSBG grantee.

## **IV. Statement of Federal and CSBG Assurances**

As part of the biennial application and plan required by Section 676 of the Community Services Block Grant Act, as amended, (42 U.S.C. 9901 et seq.) (The Act), the designee of the chief executive of the State, the Minnesota Department of Human Services (DHS)/Office of Economic Opportunity (OEO), hereby agrees, by signature at the end of this section, to the Assurances in Section 676 of the Act..

### **A. Programmatic Assurances**

1. Funds made available through this grant or allotment will be used:
  - a. To support activities that are designed to assist low income families and individuals, including families and individuals receiving assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farmworkers, and elderly low income individuals and families to enable the families and individuals to:
    - (i) remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act;
    - (ii) secure and retain meaningful employment;
    - (iii) attain an adequate education, with particular attention toward improving literacy skills of low income families in the communities involved, which may include carrying out family literacy activities;
    - (iv) make better use of available income;
    - (v) obtain and maintain adequate housing and a suitable living environment;
    - (vi) obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and,
    - (vii) achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to –

1. document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and
  2. strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;
- b. To address the needs of youth in low income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills, training, job creation, and entrepreneurship programs); and after-school child care programs; and
  - c. To make more effective use of, and to coordinate with, other programs (including State welfare reform efforts). ['676(b)(1)]
2. To describe how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in Section 675C(b) of the Act in accordance with the community services block grant program, including a description of how the State will support innovative community and neighborhood-based initiatives related to the purposes of the community services block grant program; ['676(b)(2)]
  3. To provide information provided by eligible entities in the State, including:
    - a. a description of the service delivery system, for services provided or coordinated with funds made available through grants made under Section 675C(a) of the Act, targeted to low income individuals and families in communities within the State;
    - b. a description of how linkages will be developed to fill identified gaps in services, through the provision of information, referrals, case management, and follow-up consultations;
    - c. a description of how funds made available through grants made under Section 675(a) will be coordinated with other public and private resources; and,

- d. a description of how local entities will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of the community services block grant, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting. ['676(b)(3)]
- 4. To ensure that eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low income individuals. ['676(b)(4)]
- 5. That the State and the eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low income individuals and to avoid duplication of such services, and State and the eligible entities will coordinate the provision of employment and training activities in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998; ['676(b)(5)]
- 6. To ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under title XXVI (relating to low income home energy assistance) are conducted in such communities.['676(b)(6)]
- 7. To permit and cooperate with Federal investigations undertaken in accordance with section 678D of the Act. ['676(b)(7)]
- 8. That any eligible entity in the State that received funding in the previous fiscal year through a community services block grant under the community services block grant program will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in Section 678C(b) of the Act. ['676(b)(8)]
- 9. That the State and eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations. ['676(b)(9)]

10. To require each eligible entity in the State to establish procedures under which a low income individual, community organization, or religious organization, or representative of low income individuals that considers its organization, or low income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation. [676(b)(10)]
11. To secure from each eligible entity in the State, as a condition to receipt of funding, a Community Action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community- needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs; [676(b)(11)]
12. That the State and all eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System, another performance measure system for which the Secretary facilitated development pursuant to Section 678E(b) of the Act.[676(b)(12)]
13. To provide information describing how the State will carry out these assurances. [676(b)(13)]

## **B. Administrative and Financial Assurances**

The State further agrees to the following, as required under the Act:

1. To submit an application to the Secretary containing information and provisions that describe the programs for which assistance is sought under the community services block grant program prepared in accordance with and containing the information described in Section 676 of the Act. [675A(b)]
2. To use not less than 90 percent of the funds made available to the State by the Secretary under Section 675A or 675B of the Act to make grants to eligible entities for the stated purposes of the community services block grant program and to make such funds available to eligible entities for obligation during the fiscal year and the succeeding fiscal year, subject to the provisions regarding recapture and redistribution of unobligated funds outlined below. [675C(a)(1) and (2)]
3. In the event that the State elects to recapture and redistribute funds to an eligible entity through a grant made under Section 675C(a)(1) when unobligated funds exceed 20 percent of the amount so distributed to such eligible entity for such fiscal year, the State agrees to redistribute recaptured funds to an eligible entity, or require the original recipient of the funds to redistribute the funds to a private, nonprofit organization,

located within the community served by the original recipient of the funds, for activities consistent with the purposes of the community services block grant program. ['675C (a)(3)]

4. To spend no more than the greater of \$55,000 or five percent of its grant received under Section 675A or the State allotment received under section 675B for administrative expenses, including monitoring activities. ['675C(b)(2)]
5. In states with a charity tax credit in effect under state law, the State agrees to comply with the requirements and limitations specified in Section 675(c) regarding use of funds for statewide activities to provide charity tax credits to qualified charities whose predominant activity is the provision of direct services within the United States to individuals and families whose annual incomes generally do not exceed 185 percent of the poverty line in order to prevent or alleviate poverty among such individuals and families. ['675(c)]
6. That the lead agency will hold at least one hearing in the State with sufficient time and statewide distribution of notice of such hearing, to provide to the public an opportunity to comment on the proposed use and distribution of funds to be provided through the grant or allotment under Section 675A or '675B for the period covered by the State plan. ['676(a)(2)(B)]
7. That the chief executive officer of the State will designate, an appropriate State agency for purposes of carrying out State community services block grant program activities. ['676(a)(1)]
8. To hold as least one legislative hearing every three years in conjunction with the development of the State plan. ['676(a)(3)]
9. To make available for the public inspection each plan or revised State plan in such a manner as will facilitate review of and comment on the plan. ['676(e)(2)]
10. To conduct the following reviews of eligible entities:
  - a. full onsite review of each such entity at least once during each three-year period;
  - b. an onsite review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the community services block grant program;]
  - c. follow-up reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State;

- d. other reviews as appropriate, including reviews of entities with programs that have had other Federal, State or local grants (other than assistance provided under the community services block grant program) terminated for cause. [678B(a)]
- 11. In the event that the State determines that an eligible entity fails to comply with the terms of an agreement or the State plan, to provide services under the community services block grant program or to meet appropriate standards, goals, and other requirements established by the State (including performance objectives), the State will comply with the requirements outlined in Section 678C of the Act, to:
  - a. inform the entity of the deficiency to be corrected;
  - b. require the entity to correct the deficiency;
  - c. offer training and technical assistance as appropriate to help correct the deficiency, and submit to the Secretary a report describing the training and technical assistance offered or stating the reasons for determining that training and technical assistance are not appropriate;
  - d. at the discretion of the State, offer the eligible entity an opportunity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan and to either approve the proposed plan or specify reasons why the proposed plan cannot be approved;
  - e. after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce the funding to the eligible entity unless the entity corrects the deficiency. [678(C)(a)]
- 12. To establish fiscal controls, procedures, audits and inspections, as required under Sections 678D(a)(1) and 678D(a)(2) of the Act.
- 13. To repay to the United States amounts found not to have been expended in accordance with the Act, or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under the community services block grant program. [678D(a)(3)]
- 14. To participate, by October 1, 2001, and ensure that all-eligible entities in the State participate in the Results-Oriented Management and Accountability (ROMA) System [678E(a)(1)].
- 15. To prepare and submit to the Secretary an annual report on the measured performance of the State and its eligible entities, as described under 678E(a)(2) of the Act.

16. To comply with the prohibition against use of community services block grant funds for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility, as described in Section 678F(a) of the Act.
17. To ensure that programs assisted by community services block grant funds shall not be carried out in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office; any activity to provide voters or prospective voters with transportation to the polls or similar assistance with any such election, or any voter registration activity. ['678F(b)]
18. To ensure that no person shall, on the basis of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community services block grant program funds. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 12131 et seq.) shall also apply to any such program or activity. ['678F(c)]
19. To consider religious organizations on the same basis as other non-governmental organizations to provide assistance under the program so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution; not to discriminate against an organization that provides assistance under, or applies to provide assistance under the community services block grant program on the basis that the organization has a religious character; and not to require a religious organization to alter its form of internal government except as provided under Section 678B or to remove religious art, icons, scripture or other symbols in order to provide assistance under the community services block grant program. ['679]

### **C. Other Administrative Certifications**

The State also certifies the following:

1. To provide assurances that cost and accounting standards of the Office of Management and Budget (OMB Circular A-110 and A-122) shall apply to a recipient of community services block grant program funds.
2. To comply with the requirements of Public Law 103-227, Part C Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994, which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18 if the services are funded by a Federal grant, contract, loan or loan guarantee. The State further agrees that it will require the language of this certification be included in any subawards, which contain provisions for children's services and that all subgrantees shall certify accordingly.

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**Signature (indicates the sign off of assurances in previous Section IV)**

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**Administrator/Director of Designated Lead Agency      Date**

## **V. The Narrative State Plan**

### **A. Administrative Structure**

#### *(1) State Administrative Agency*

##### **(a) Mission and Responsibilities of Lead Agency**

The Mission of the Minnesota Office of Economic Opportunity (OEO) at the Department of Human Services is to be a voice for the poor within state government, and a partner with local community agencies to help families and individuals to become more self-sufficient and build strong communities. The Office embodies its mission by recognizing local community initiatives as the most effective catalyst for the design and implementation of services; by working with local communities to develop, implement, and evaluate programs that combat poverty; by promoting statewide coordination of anti-poverty activities; and, by seeking advice regarding poverty issues, and in turn making recommendations to policymakers.

The Minnesota OEO has embraced philosophy and history from federal OEO original documents. The Minnesota OEO began in 1964 along with other state OEO's at the start of the war on poverty after the passage of the federal Economic Opportunity Act of 1964.

The offices were asked by the federal government to do four things in a comprehensive approach:

1. Act as a voice for the poor within state government.
2. Promote the development and strengthening of community based institutions.
3. Undertake research and test innovative solutions.
4. Develop and support local programs.

OEO starts with the premise that local communities know best. Local organizations are best equipped to identify issues needing to be addressed in their communities, and they are best able to design innovative and effective programs to remedy these issues. OEO provides assistance for local organizations to do just this; funding, monitoring, information, training and technical assistance are provided to local organizations. Knowledgeable staff prepare program guidelines for grantees, ensuring that state and federal rules and regulations are met. State field representatives make site visits as part of an annual review process, with one aspect of these visits being to identify staff training needs. In addition, as need be OEO provides technical assistance to agencies. OEO works to

promote and support local organizations to carry out the Economic Opportunity Act's commitment to "maximum feasible participation."

The evolution for Minnesota's OEO has included a changed set of programmatic responsibilities but the basic foundational philosophies have remained intact.

In the 1980's Total Quality Management (TQM) assisted staff to determine that the local CAA's (and other grantees) were and should be identified as the customer. This has set a positive and supportive tone for many activities with grantees and contributed to successful partnerships with them. Newer iterations of TQM have been adopted into the Minnesota OEO philosophy and policy and practice. Currently, "lean" is part of study.

Training and technical assistance are valued and viewed as part of the foundation for success. Training has proved to be insurance for success for local agencies and for OEO.

Continuous improvement, outcome based thinking, customer satisfaction, positive youth development are now part of the semantics used and thought which guides and assist us. Embracing these ideas has contributed to making partnerships with grantees successful. OEO has rejected the idea that monitoring should be rigid and grantees should be policed. Instead more sophisticated relationships have been established where grantees are monitored and compliance is validated. Grantees are assisted to resolve issues which keep them from assuring compliance with rules and regulations.

Over time positive philosophies, values and ideas consistent with the original foundational ideas under which the office was established, have been embraced to augment and strengthen the work to end poverty and advance social justice. The combination of old and new thinking and ideas consistent with the original foundation guide and bind the OEO staff and their work.

In addition to working on a local level, OEO works on a state and federal level. OEO enjoys excellent working relationships with a broad range of organizations working on anti-poverty issues, but none as important as its special partnership with the Minnesota Community Action Partnership, the state association of Community Action Agencies. OEO works from the premise that policymakers and citizens must be informed about poverty issues, and works to continually accrue and disseminate pertinent knowledge. To this end, OEO staff initiate data collection, analyze poverty information, document needs related to poverty, and develop and evaluate alternative policies and program designs. To ensure that staff are current on state and national trends and developments, as well as connected to peers administering related programs, staff attend meetings and

conferences sponsored by the Office of Community Services, HHS and other federal funders such as USDA and HUD, in addition to other national partners such as the National Association for State Community Services Programs, the Community Action Partnership, the National Community Action Foundation, CAPLAW, the Center for Social Development, CFED and other organizations promoting economic security policies for low-income people. In addition, every attempt will be made to send staff, but at a minimum OEO staff assigned to work on antipoverty issues, to relevant local events such as those sponsored by the Minnesota Community Action Partnership.

Another way that OEO impacts poverty reduction is through its work with statewide initiatives. By partnering with organizations whose work is to eradicate poverty, OEO facilitates and expedites the dismantling of systemic barriers that limit or make it impossible for people to achieve self-sufficiency. Examples of this systemic work include ongoing meetings with the Continuum of Care initiative, the Interagency Task Force on Homelessness, the Minnesota WorkForce Center system, the migrant community, the Minnesota Financial Fitness Network, the Asset Building Coalition, and increasingly initiatives involving the implementation of the Affordable Care Act. As part of the Department of Human Services/Community Partnerships and Child Care Services Division, opportunities for partnering with other human services efforts regularly emerge. A benefit to this collaborative work is that duplication of effort and funds is minimized.

In recent years, the Minnesota Community Action network provided leadership in efforts to educate and influence the work of Minnesota's Legislative Commission to End Poverty by 2020. Community Action Agencies helped to plan and host informational hearings in 10 regions across the state, during which Commission members took testimony and met with low income citizens to better understand the barriers to leaving poverty in rural, urban, and suburban areas of Minnesota. Following the hearings, MinnCAP, OEO and Community Action Agency staff and program participants took part in Commission sub-group meetings, providing research-based evidence and technical assistance to Commissioners and staff on the experience of poverty in our state. The final report submitted to the full legislature in January 2009 included support for Community Action initiatives (to view report, visit <http://www.commissions.leg.state.mn.us/lcep/>). Similarly, the Minnesota Community Action network has actively participated in the Ladders Out of Poverty Task Force which has carried forward the asset building components of the Commission to End Poverty work.

A litmus test utilized by OEO is that all work must be done in a manner that is respectful of differences, including those of income, race, ethnicity, and culture. OEO recognizes that open communication is essential to meeting

poverty head on, as well as the utilization of joint problem solving strategies. Ultimately, however, the litmus test used by the OEO in evaluating and directing its work is that it must directly or indirectly assist individuals and families with low incomes to become more self-sufficient, without infringing on their rights to self-determination and self-actualization.

The DHS/Office of Economic Opportunity is the State agency designated by the Governor to apply for, receive, and expend funds to administer the Community Services Block Grant (CSBG) in Minnesota and to assure grantee certification and compliance. DHS fulfills these responsibilities by:

- (i) Allocating resources to agencies statewide in support of an effective Community Services Network;
- (ii) Maintaining management control of the Community Services Network; enabling the state to measure results, correct problems, and make changes as needed;
- (iii) Providing assistance to communities as needed; and assuring that all aspects of the Minnesota Community Action Act are met; and,
- (iv) Maintaining grantee records.

Additional activities may include, as specified in the Act:

- (i) Providing training and technical assistance to those entities in need of such training and assistance;
- (ii) Coordinating State-operated programs and services, and at the option of the State, locally-operated programs and services, targeted to low income children and families with services provided by eligible entities and other organizations funded under this subtitle, including detailing appropriate employees of State or local agencies to entities funded under this subtitle, to ensure increased access to services provided by such State or local agencies;
- (iii) Supporting statewide coordination and communication among eligible entities;
- (iv) Analyzing the distribution of funds made available for Community Action activities to ensure they have been targeted to the areas of greatest need
- (v) Supporting asset-building programs for low income individuals, such as programs supporting individual development accounts;

- (vi) Supporting innovative programs and activities conducted by Community Action Agencies or other neighborhood-based organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization;
- (vii) Supporting State charity tax credits; and,
- (viii) Supporting other activities, as consistent with the purposes of federal law.

(b) Goals and Objectives

The overarching goal of the CSBG is to eliminate the causes of poverty in Minnesota communities. To achieve this broad goal, CSBG in Minnesota has the following objectives:

- To provide all low-income Minnesota residents with the opportunity to achieve self-sufficiency and self-determination;
- To develop and strengthen community-based organizations that represent the interests of low-income Minnesotans on the local level, and that plan, implement, and evaluate programs and activities responsive to their needs;
- To support a wide range of programs and activities that have a measurable impact on the systemic causes of poverty in the community, or in those areas of the community where poverty is a particularly acute problem;
- To develop and to support local programs that may expand the knowledge base of poverty problems and to test innovative solutions to those problems;
- To promote a voice for low-income people in the planning, implementation and evaluation of services provided for them;
- To coordinate activities related to the problems of poverty through a local Community Services Network and the State; and,
- To support the Minnesota Community Action Partnership's strategic plan.

Objectives will be achieved by granting funds to eligible grantees that in turn provide programs and activities which address locally determined needs. Grantees will submit funding applications to the Minnesota Department of Human Services/Office of Economic Opportunity. Applications will include program plans, measurable outcomes, and

budgets that are the result of a local needs assessment, which include low income people in the planning process.

Economic Opportunity programs seek to remove the barriers imposed by poverty on individuals and families. Together, programs support people as they fulfill basic needs for food, clothing, and shelter, and as they attain the skills, knowledge and motivations to become more self-reliant. The Office of Economic Opportunity in partnership with agencies that deliver Community Action Programs, Financial Fitness Programming, Emergency Food Programs and SNAP Outreach and Education, Homeless and Shelter Programs, Tribal Governments, the University of Minnesota and advocacy organizations, support people helping themselves achieve economic security.

*(2) Eligible Entities*

*(a) Overview and List of Eligible Entities*

In Minnesota, the Community Services Network is comprised of 39 public and private agencies that cover the state. These eligible entities include Community Action Agencies and Tribal Governments. A list of eligible entities is attached as Appendix F.

Community Action Agencies

There are 11 Tribal Governments, 26 private Community Action Agency (CAAs) in Minnesota. In the past two years, Minnesota has had 2 mergers of existing CAAs.

The makeup of a Community Action Agency board defined in State law is consistent with the board requirements set out in the federal Community Services Block Grant Act. The board of a Community Action agency is comprised of one-third elected public officials currently holding office, or their representatives; one-third persons chosen in accordance with democratic selection procedures assuring that they represent the poor in the area served; and one-third representatives of business, industry, labor, religious, welfare, education or other major interests in the community. The local board directs the provision of a range of programs and activities designed to identify and to address the causes of poverty. The board assesses local needs, sets priorities, approves plans, approves funding applications, and develops service provision strategies.

OEO has increased its efforts over the past several years to build the capacity of local boards. A video and accompanying training book aimed at clarifying the roles and responsibilities of non-profit boards was produced and distributed to all Community Action boards in the

state, and has been shared nationally as well. Annual site visits by field staff include attendance at board meetings. Copies of monitoring visit follow-up letters are mailed to board chairs as a way to keep channels of communication open.

Eligible entities coordinate and maintain linkages with governmental and other human service providers to ensure efficient and effective delivery of programs within the service area.

### Tribal Governments

Tribal Governments have the option of applying for funding directly from the Federal Government or through the State. All 11 Tribal Governments currently receive funding through the State for the CSBG. Grants to Tribal Governments support programs and activities consistent with the goals and objectives of the Community Services Block Grant Act.

The Red Lake Band of Chippewa Indians and the six Reservation Governments that comprise the Minnesota Chippewa Tribe, (Grand Portage, Fond du Lac, Mille Lacs Band, Bois Forte, Leech Lake and White Earth) were designated as Indian Community Action Programs (ICAPS) by the federal Community Services Administration. The four Sioux communities (Lower Sioux, Upper Sioux, Prairie Island and Shakopee Mdewakanton) are also eligible grantees.

The Minnesota Indian Affairs Council, established by the 1963 Minnesota Legislature, provides a centralized point in state government to interface with Tribal Governments. An interagency agreement between the Department and the Minnesota Indian Affairs Council provides assistance in strengthening the Tribal Government role in Minnesota's Community Services Network. Tribal grantees meet together with OEO regularly to receive training, share information, and talk about best practices.

### (b) Geographic Areas Served

Low-income people in all of Minnesota's 87 counties are currently served by CSBG grantees. The map included as Appendix G shows the location of grantees.

### *(3) Distribution and Allocation of Funds*

For FY2014, a total of \$7.352 million (an estimated \$3.424 million CSBG and \$3.928 million Minnesota Community Action Grant funding) is projected to be available annually to eligible grantees. A chart projecting the distribution of this allocation by grantee for FY2014/2015 can be found

in Appendix H. The chart for the actual allocation amounts for FY2012/2013 can also be found in Appendix H (see first three columns).

## B. Description of Criteria and Distribution Formula

In Minnesota, eligibility for grants from the CSBG allotment is limited to grantees eligible under the Minnesota Community Action Act and the Federal CSBG Law.

Guidelines for application of funds to eligible grantees require a statement of purpose and eligibility, a listing of statutory references and assurances to be followed, necessary documents, fiscal procedures, audit requirements and notice of report requirements. These guidelines are posted on the MinnCAP web site ([www.minnkap.org](http://www.minnkap.org)).

In Minnesota the CSBG and the MN Community Action Grant are administered as a combined grant for Community Action Programs. Funding for FY2014/2015 is projected to consist of a \$3.928 million annual appropriation to the Community Action Grant from the Minnesota Legislature, and the FY2014/2015 CSBG appropriation projected to be approximately \$3.424 million annually.

State statute M.S. 256E.30 defines the allocation of funding as follows:

### *Subd. 2. ALLOCATION OF MONEY*

- a. *State money appropriated and Community Service Block Grant money allotted to the state and all money transferred to the community service block grant from other block grants shall be allocated annually to community action agencies and Indian reservation governments under clauses (b) and (c), and to migrant and seasonal farmworker organizations, under clause (d).*
- b. *The available annual money will provide base funding to all community action agencies and the Indian reservations. Base funding amounts per agency are as follows: for agencies with low income populations up to 3,999, \$25,000; 4,000 to 23,999, \$50,000; and 24,000 or more, \$100,000.*
- c. *All remaining money of the annual money available after the base funding has been determined must be allocated to each agency and reservation in proportion to the size of the poverty level population in the agency's service area compared to the size of the poverty level population in the state.*
- d. *Allocation of money to migrant and seasonal farmworker organizations must not exceed three percent of the total annual money available. Base funding allocations must be made for all*

*community action agencies and Indian reservations that received money under this subdivision, in fiscal year 1984, and for community action agencies designated under this section with a service area population of 35,000 or greater.*

Minnesota followed the distribution formula described in state statute (see Appendix H) when allocating 2014-2015 CSBG and MCAG funds.

### **C. Description of Distribution and Use of Restricted Funds**

At least 90% of the FFY 2014-2015 CSBG funds will be distributed by OEO to eligible entities. Refer to the funding table in Appendix H for the projected distribution of 2014-2015 funds. Minnesota does not anticipate the recapture and redistribution of federal CSBG funds.

### **D. Description of Distribution and Use of Discretionary Funds**

P.L. 97-35, as amended, allows a transfer of up to five percent of CSBG funds to support activities under the Older Americans Act of 1965, The Emergency Food Assistance Act of 1983, the Head Start Program, the Energy Crisis Intervention Program of the Low Income Home Energy Assistance (LIHEAP) Block Grant, or any other purposes consistent with the CSBG Act. No 2012-2013 CSBG funds will be transferred to these programs.

The State will grant 2014-2015 CSBG discretionary funds, as described in Section 675C(b) of the Act, (excluding administration), for the following:

- through an Interagency Agreement to the Minnesota Indian Affairs Council for statewide training on relevant topics to support information systems; for the Minnesota Community Action Partnership (MinnCAP);
- for emergency assistance for local agency crisis/catastrophes; and,
- to support innovative projects of statewide impact based on the following criteria: replicability, match, local collaboration, cannot be accomplished under the regular CSBG/MCAG contract, has measurable outcomes and an evaluation component.

Any additional activity that is undertaken will be conducted in accordance with Section 675c.

### **E. Description of Use of Administrative Funds**

Section 675(b)(2) of the Act specifies that no State may use more than the greater of \$55,000, or five percent of its grant or allotment for administrative expenses, including monitoring activities. The State will not expend more than five percent of the CSBG allotment for administration. Administrative procedures are prescribed by Minnesota law

and rule. The State uses administrative funds to manage the block grant, to coordinate block grant information, and to initiate new activities within the statewide Community Services Network. The Department of Human Services (DHS) performs grantee reviews and follow-up to ensure compliance with State and Federal requirements.

## **F. State Community Services Program Implementation**

### *(1) Program Overview*

(The following information has been provided to the State by eligible entities, as required under Section 676(b)(2) of the Act.)

#### **(a) The Service Delivery System**

All 87 Minnesota counties are served by an eligible CSBG entity. See Section (A)(2) of this Plan for a description of eligible entities. Services are provided to low income participants through a variety of programs addressing poverty-related problems. The map included as Appendix G shows the location of grantees.

#### **(b) Linkages**

Community Action holds that the best way to fight poverty is to coordinate community resources. With the required composition of board structure (low-income citizens, business leaders, government leaders), CAAs have ample opportunities for cross-fertilization that increases community efficiencies and economies of scale. The Community Services Block Grant reliably funds collaboration activities for CAAs.

Through CSBG resources, linkages are developed by local entities and the State to fill identified gaps in services. This is accomplished through such avenues as disseminating information, providing case management services, making referrals, providing follow-up consultations and colocating of services.

### ***Local Level Coordination***

Programs operated by CSBG grantees include Head Start, Older Americans Act programs, Emergency Food and Shelter programs, SNAP Outreach and Education, the Low Income Home Energy Assistance program, Weatherization programs, financial fitness and asset building programs, self-sufficiency and family development programs, youth programs, transportation programs and more. Coordination among many types of local programs occurs in all communities. Coordination between anti-poverty programs and energy assistance programs is facilitated in most communities by these programs being administered by the same agency.

Grantees submit a local coordination/linkages plan as part of its CAP plan that outlines linkages, information and referral, outreach and cooperative agreements used to enhance program delivery and prevent duplicative activities. Local grantees are monitored for coordination activities and agency governing boards are involved in the process. Coordination between programs administered by DHS's Office of Economic Opportunity is especially important. One noteworthy example of local coordination is that in most communities the Community Action Agency is a key player in housing Continuum of Care planning. A second area of strong coordination is in the area of SNAP Outreach.

One of the primary functions of Community Action as outlined in the Minnesota Community Action Act is to "join with, and encourage business, labor, and other private groups and organizations to undertake . . . activities in support of the Community Action program which will result in the additional use of private resources and capabilities." In 2011, \$7.3 million in CSBG and \$2.134 million in state Community Action Grants leveraged almost \$500 million in other program funding. Coordination of activities with the private sector is appropriately addressed in the local community. Grantees are monitored for compliance with this provision.

### ***State Level Coordination***

The State facilitates program coordination by establishing linkages between governmental and other human services programs that assure effective delivery of services to low income individuals. The Commissioner of DHS advocates and undertakes cooperative efforts with other agencies administering block grants and low income programs to create strong linkages among the programs and realize opportunities for coordination, communication and collaboration in planning, program services, and reporting. A recent focus in Minnesota has been on ending long-term homelessness by providing housing and support services and SNAP Outreach and Education.

Key partners for OEO include:

- Financial Fitness Network
- Grantees and Sub Grantees
- Hunger Solutions Minnesota
- Minnesota Chippewa Tribe
- Minnesota Coalition for the Homeless
- Minnesota Community Action Partnership
- Minnesota Head Start Association
- Minnesota Indian Affairs Council

- State government partners, including those administering other antipoverty programs including LIHEAP and WAP.
- United Way
- University of Minnesota
- Youth Moving Forward

Strategic partnerships with advocacy organizations and grantees have been especially beneficial to advancing the vision and mission. OEO understands that people who are experiencing poverty, those who are hungry or homeless, face many barriers. The idea that we should think holistically has been long been important to OEO. A former Commissioner of DHS urged staff to think about the needs of “people not programs.” This admonition has been adopted by the Department and fits well with OEO values. The idea of “comprehensive and integrated” can be a balancing act, with ever more demanding rules and regulations from federal and state funders. The idea of a comprehensive approach was addressed in guidance to states in the 1970’s and remains important today. Partnerships are key to such an approach.

#### (c) Coordination with Other Public and Private Resources

Funds made available through grants to eligible entities are coordinated with other public and private resources. The Minnesota Community Action Act requires coordination with other economic opportunity funding.

The State requires each local entity to submit coordination/linkage plan for their grant activity. The coordination plan describes which area service providers grantees have a working relationship with to fill identified gaps in services, coordinate with other public and private resources, and result in a multi-program impact on the client’s progress toward self-sufficiency.

The coordination/linkage plan describes how the agency goals and strategies coordinate with other programs including WorkForce Centers, Vocational Rehabilitation Programs, Emergency Food Programs, Human Service Agencies, Head Start, Low Income Home Energy Assistance (LIHEAP) and the Weatherization Assistance Program (WAP), religious organizations, charitable groups, community organizations and other local resources.

#### (d) Innovative Community and Neighborhood-based Initiatives

Local entities use these funds to support innovative community and neighborhood-based initiatives related to the purposes of the CSBG, including fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.

From Community Action's inception, the tenet that local people know best has meant the creation of innovative supports targeted at local issues. The CSBG gives considerable support to locally designed solutions. One local agency executive director summed it up: "CSBG funds local research and development allowing us to respond more quickly to a changing environment or come up with creative solutions to unique situations. It provides money for community assessment studies, letting us hear directly from the people we serve regarding what works and what does not; what is needed and what is not...CSBG is the seed money for new supports and innovative solutions that would not get off the ground without such financial assistance."

Examples of current programs being operated by grantees to fulfill CSBG objectives include:

- Employment and Training Services,
- Youth Employment
- Senior Employment
- Displaced Homemaker Program
- GED and Educational Services
- Literacy
- English/Second Language (ESL)
- Adult Basic Education (ABE)
- Financial Education
- Tax Assistance
- Individual Development Accounts
- Health Care, Family Planning
- Weatherization/Energy Assistance Programs
- Housing Grants and Loans
- Affordable Housing
- HUD Section 8
- Deferred Loans
- Low income Housing Development
- Transitional Housing
- Crisis Intervention
- Outreach
- Leadership Training
- Emergency Food Assistance and Food Shelves
- WIC
- Home-Delivered Meals
- Congregate Meals
- USDA Commodity Assistance
- Transportation Assistance
- Vehicle Programs
- Senior Oriented Services
- Chore Services
- Foster Grandparents
- Head Start
- Early Head Start
- Child Care
- Child Care Resource & Referral
- Youth Recreation
- Fatherhood Initiatives
- Crisis Nursery
- Family Loan Fund
- Community Development
- Veteran serving organizations

For additional information about specific programs and services provided by individual local entities, refer to the 2013 Minnesota Community Action Annual Report found in Appendix I.

## (2) Community Needs Assessments

The State will comply with the following assurance in '676(b)(11): *The State will secure from each eligible entity in the State, as a condition to receipt of funding by the entity, a community action plan which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs.*

### **Community Assessment Foundational to Local Community Action Plan**

Each grantee is required to submit a Community Action plan as a condition of funding. This work plan includes a description of the agency's community assessment, the first step of the ROMA cycle; the identification of prioritized needs as determined by that assessment process; a description of the service delivery system targeted to low-income individuals and families within the area; and, a coordination/linkages plan describing established working relationships with area service providers. Local agencies use a variety of methods for conducting needs community assessments, using demographic and service data from education, health, senior citizen services, social services, nutrition, housing, energy and transportation sources for geographic service areas. Many incorporate direct client input. Some CAAs band together to conduct regional assessments. There is no standardized methodology used by eligible entities, but many grantees have taken advantage of the new community assessment tools and resources available through the CSBG T/TA Clearinghouse.

Gaps in the delivery of services are identified within the coordination plan and mechanisms are identified for developing appropriate linkages among area providers through information, referral, case management and follow up consultation. Grantees provide a description of how CSBG funding is coordinated with both public and private resources to address needs within each grantee's service area.

As part of their plan, each grantee will also describe the unique local outcomes they will use to measure their success in promoting self-sufficiency, family stability and community revitalization using the Minnesota Outcomes Catalogue (see Appendix J).

### **Statewide Community Assessment**

The State uses information provided by local eligible entity community assessments, in addition to other sources including Census, Minnesota COMPASS ([www.minnesotacompass.org](http://www.minnesotacompass.org)) and other locally performed assessments and data analysis, to assess current and unmet needs across the state.

The 2013 local agency community assessment data revealed the following top areas of need for low-income people and communities in Minnesota:

- Employment/Jobs
- Safe and Affordable Housing
- Health Care
- Transportation
- Money Management

As OEO implements its own ROMA cycle (assessment, planning, implementation, achievement of results, evaluation), this statewide community assessment data provides an informative foundation.

*(3) Tripartite Boards*

Section 676B of the Act requires that, in order for a private non-profit entity or public organization to be considered to be an eligible entity for the purposes of the Community Services Block Grant program, it must administer the Community Services Block Grant program through a tripartite board or another mechanism specified by the State, whose members are chosen in accordance with democratic selection procedures to assure that not fewer than one-third of its members are representative of low income individuals and families in the service area; and are able to participate actively in the development, planning, implementation, and evaluation of the program to serve low income communities.

The makeup of a Community Action Agency board defined in State law is consistent with the board requirements set out in the federal CSBG Act. The board of a Community Action Agency is comprised of one-third elected public officials currently holding office or their representatives; one-third persons chosen in accordance with democratic selection procedures assuring that they represent the poor in the area served; and the remainder are officials or members of business, industry, labor, religious, welfare, education or other major groups and interests in the community.

State policies and procedures to ensure this requirement include the state law, the process for approving local entities work plans and budgets, and the monitoring activity conducted by the State. OEO supports ongoing communication and training of tripartite boards. Recently OEO partnered with the Minnesota Community Action Partnership to provide CAPLAW training for boards at the annual Community Action conference.

*(4) State Charity Tax Program*

There is no charity tax credit program in effect under Minnesota State law.

## *(5) Programmatic Assurances*

Each of the assurances outlined in Section 676(b) of the CSBG Act will be carried out, as follows:

The State carries out the following assurances through contracts with local entities, annual audit requirements and annual monitoring activity. Across the state, eligible entities operate a variety of programs, services and activities that address the CSBG objectives within the context of locally identified community needs.

**(a) Assurance '676(b)(1) : Funds made available through the grant or allotment will be used:**

- i. **To support activities that are designed to assist low income families and individuals, including families and individuals receiving assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farmworkers, and elderly low income individuals and families to enable families and individuals to:**
  - (i) **remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act);**

Minnesota Community Action grantees operate a myriad of programs that promote economic self-sufficiency. In fact, all of the programs work in some way to insure that people have the necessary tools to attain self-sufficiency. Each year the efforts of the Community Services Network in Minnesota are collected in the annual Community Action Report. For a complete listing of each local agency's program activity, refer to this report in Appendix I. For purposes of this plan, however, a few programs will be highlighted.

One such program has meant that people living in a rural area have access to public transportation. Conceived as a way to meet medical and employment related transportation needs of the elderly, disabled, youth and others, this endeavor has evolved into an application to the Minnesota Department of Transportation and a subsequent interagency agreement between a county board of commissioners and a city government. A second goal is to coordinate public and private transportation resources so that people with the greatest needs have choices.

Another program addresses the issue of transportation by enabling people with modest incomes to own cars. Located in an area where people must travel long distances for work or school, this Community Action Agency partners with area churches. Churches obtain donated cars and then arrange for necessary repairs. Families with modest incomes are then able to purchase these cars at a reduced cost and meet their family self-sufficiency goals by having adequate, reliable transportation.

DHS Minnesota Family Investment Program Innovation Funds has prioritized transportation services to address transportation needs of MFIP/TANF participants and support paid/unpaid work experience. Several Community Action Agencies partnered with counties (the eligible entity for this funding) to access these funds for this purpose. Allowable expenses under these funds included car leasing or purchase, car repairs, transit passes, insurance, licensing fees, driver's training, and gas vouchers.

Yet another program provides case management for families from a county homeless shelter who agree to work on two-year self-sufficiency plans. In turn, case managers work with landlords in suburban communities to find apartments for these families. The families are subsidized through Housing and Urban Development (HUD) grants and subsequently only have to pay 25 percent of their income for housing. It is anticipated that within two years these families will be able to pay market rate rent. This goal is achieved through the realization of other goals related to their plans, such as completing the GED. One participant did just that; she recently completed her GED, started working at a local hospital, opened her first bank account, completed driver's education, enrolled her children in a convenient child care and will soon get a car.

Another program is designed to help low-income people who need help putting together a workable budget and who may need to improve their credit score. Along with the local Lutheran Social Services (LSS) this Community Action Agency provides one-on-one and group counseling that provides budget counseling and financial education including debt consolidation services. Low income families and individuals are then able to successfully manage income and assets.

Since 2004, OEO together with MinnCAP and LSS have sponsored 25 financial literacy train-the-trainer sessions conducted for the statewide anti-poverty network on a curriculum known as the *Four Cornerstones of Financial Literacy*. Over 1,500 direct service staff, approximately half from CAAs and half from other nonprofits and Tribal organizations working to help build family financial assets, have been trained to deliver financial literacy classes and/or to provide individual financial coaching.

Additional supports to direct service providers developed by these same partners include: 1) the [www.helpmnsave.org](http://www.helpmnsave.org) web site, a resource targeted to the information needs of direct service staff and managers working with low-income people to increase their financial literacy and economic self-sufficiency, 2) a companion *Four Cornerstones of Financial Literacy* DVD which highlights key financial management concepts (Budgeting to Create Savings, Debt Reduction and Asset Building, Consumer Protection, Building a Good Credit Rating, and Financial Institutions) as well as techniques for teaching this content to clients, and 3) an intermediate level curriculum called the *Four Directions of Economic Security* builds upon the *Four Cornerstones of Financial Literacy* curriculum. It focuses on investing and asset building to help families grow, use and keep safe their savings. Includes a leader's guide to facilitation. Together, these training efforts and tools support CAAs' efforts to help clients become economically self-sufficient.

**(ii) secure and retain meaningful employment;**

Coordination among key partners, including Community Action, the state employment and training and human service systems, is an essential element of the Governor's coordination strategy as well as a requirement of the WorkForce Investment Act (WIA). This strategy presents an opportunity to highlight existing local coordination and to improve coordination between WorkForce Centers and Community Action where that is necessary. Additionally, agencies and agency programs, including Head Start, collaborate with child care and other early childhood education programs to ensure smooth transitions to work for parents.

It is impossible for families with children to be successfully employed without affordable child care. One Community Action Agency works with the county to ensure that families are able to afford child care. They do this by contracting with the county to administer three child care assistance programs. This department has grown from a staff of five to 12 and currently serves 1,300 families.

Local tribal governments and other Community Action Agencies collaborate to provide employment assistance for low-income households. Staff connects struggling families with the appropriate community or county resources to find and keep employment. They work one-on-one with struggling households to do whatever it takes in order for them to move toward employment.

Another Community Action Agency utilizes the local Workforce Center to ensure that at-risk high school youth receive employment and training services. The program provides work experience at local schools, cities, nursing homes, and other training locations. Program participants

receive much needed paychecks and valuable job training. With these two entities they begin to establish great employment records.

In an effort to ensure retention and creation of new jobs, one Minnesota agency developed a revolving loan fund. This fund involves local stakeholders such as venture capitalists, private equity contributions, and other investors. Local community members access these loans to start small local businesses. The objective of this program is to become strong long-term business enterprises with a high probability of meeting or exceeding the job creation objectives while becoming local tax and utility rate payers.

Community Action Duluth became an MN Family Investment Program (MFIP, what Minnesota calls TANF) Employment Services provider for African American and Native American households in January 2012 through a contract with St. Louis County. The need for culturally specific MFIP employment services for was identified during a 3 year process with St. Louis County and the other Employment Services Providers in Duluth. The outcome used to measure success was the work participation rate for MFIP households of color. The county got quarterly reports from the state that documented an improvement during the 3 years of the project which was attributed to Community Action Duluth and AOEA employment mentors who were themselves Native American and African American.

CAA's working relationships with workforce development agencies were strengthened with the Recovery Act funding. Many of these relationships and initiatives have been sustained even beyond ARRA investments.

**(iii) attain an adequate education, with particular attention toward improving literacy skills of low income families in the communities involved, which may include carrying out family literacy initiatives:**

Minnesota Community Action grantees adopt policies to refer clients to education programs that increase literacy, improve parenting skills, and address the needs of children from families in poverty. These programs include Adult Basic Education (ABE) programs, early childhood initiatives, youth focused training and other life-long learning opportunities. A few examples of how agencies accomplish this work are provided below.

To reduce the achievement gap of low income students, one community established a planning committee consisting of the local Chamber of Commerce, the CAA, and local volunteers. The result was the launch of "Project Read", a program that assists parents as well as their children

ages 0-5 with early literacy. These efforts are yielding measurable outcomes for Kindergarten readiness in the domain of pre-literacy skills.

Through a teenage parent program pregnant and parenting teens are given the opportunity to work toward their high school diplomas. This program is a collaborative that involves many different entities. The school district provides academic instruction; an early childhood program offers child development and parenting coursework; a children's mental health service offers a support group, a life skills course and case management for mental health needs; the University of Minnesota provides a nutrition education course; public health works with prenatal education and infant development; and, the Community Action Agency provides child care while students attend classes and offers a course to connect students to their communities.

Two CAAs are implementing "Computers for Our Community" initiatives which train work crews consisting of at-risk youth workers with computer skills. The students (age 14-21) clean and organized donated computers, testing parts and clearing out the machines. They then load software onto the refurbished computers, and train low-income households on how to use their computers. Recipients also receive a reduced-cost internet rate. One CAA has distributed 66 computers to qualifying low income families. One recipient noted: "Now that I have a computer and internet in my home, I plan to enhance my job skills, search for a job, help my children with school work, and communicate with family and friends more frequently."

In 2012, Minnesota's statewide IDA partnership, FAIM, has a partnership with Inver Hills Community College and others to enroll 75 students in the matched savings program. Alumni of the college created a pool of donations for the matched savings. Combined with their own savings of \$40/month over two years, the student has a total pool of \$3,840 to pay toward their post-secondary education.

**(iv) make better use of available income;**

Across Minnesota, Community Action grantees provide support, facilitation, and financial education and coaching to low-income participants saving, building assets and entering the financial mainstream.

Specifically, one program that is provided by most CAAs is Family Assets for Independence in Minnesota (FAIM). This individual development account (IDA) initiative helps participants to focus on short and long-term financial goals, while encouraging savings and asset development. These objectives are accomplished through the provision of financial education and coaching. In addition, a cash match is

available, with earned income that is saved in an individual development account receiving a 3:1 match (half from state funds and half from non-state funds). Financial literacy training and coaching is available to help accountholders develop the skills and habits necessary to regularly save for and achieve their assets. From 2000-2011, low-wage accountholders deposited \$2.5 million into FAIM matched savings accounts. During this same period, accountholders purchased a nearly 1,700 assets: 25% closed on homes, 34% capitalized small businesses, and 41% invested in post-secondary education. As a result of FAIM, 3,490 low-wage workers became banked, and over 3,000 accountholders completed financial education classes.

Another program assists low-income families through free tax preparation to promote access to various tax credits (e.g. EITC) aimed at low-income households. Minnesota Community Action Agencies participate in two different tax preparation partnerships, one in partnership with the American Association for Retired Persons (AARP) Tax Aide program, and the other creating Voluntary Income Tax Assistance (VITA) sites with the support of AccountAbility Minnesota (AAM), a nonprofit agency based in the Twin Cities. In 2011, Community Action Agencies helped 18,768 participants access free tax preparation. The people qualified for federal and state tax credits totaling over \$14 million, dollars that helped families by leveraging additional income, and then helped communities, as much of this return gets spent locally.

In an effort to assist welfare participants to make better use of available income, one Minnesota CAA partners with 27 area banking institutions. Welfare job seekers who need to purchase or repair cars are helped to complete loan application packages. In addition, they are provided advocacy and support for any additional work needed for loan approval. During a one year period, 49 loans were approved through this program.

The Community Action Duluth Financial Opportunity Center (FOC) was created in 2011 as a way for the agency to transform its work across programs and achieve better outcomes for clients. The FOC coordinates benefit enrollment, employment and asset building services and employs a coaching model. Workshops are conducted monthly on Career/Employment, College and Financial topics.

**(v) obtain and maintain adequate housing and a suitable living environment;**

The supply of affordable and safe housing for low income Minnesota families remains insufficient to meet the needs of many low-income Minnesotans. OEO, through its network of grantees, is committed to supporting a wide range of state and locally designed services that provide adequate housing and living environments for low income

people, including the homeless. As one way to accomplish this goal, OEO will continue to provide technical and other assistance to grantees. In addition, Community Action grantees throughout the state will continue to play a pivotal role in both the provision of homeless services and in organizing HUD's regional continuum of care planning process.

Specific programs within Community Action Agencies that address homelessness are many and varied. OEO administers and CAAs are the primary recipient of state funded Transitional Housing Program, Emergency Services Program, and Runaway and Homeless Youth Act grants, as well as the federally funded Emergency Solutions Grant Program. Below is an overview of the activities of these programs:

#### *Shelter*

The majority of the emergency shelter funding OEO distributes goes toward the costs of operating and providing services in shelter programs. Shelter programs may vary in their structure, but the main types include congregate buildings and motel vouchers. Emergency shelter funds are used to pay for operating costs such as building rental, utilities, maintenance, repairs and staffing. Funds also go towards case management services to participants.

Shelters are an important entry point where the homeless can obtain assessments and assistance to move beyond crises and start building stability. However, the extent of services offered by shelters is severely limited by the resources available.

#### *Support Services*

A portion of emergency shelter funding distributed by OEO is to provide services to homeless persons outside of a shelter or other residential setting. Support services programs currently funded with State Emergency Services Program (ESP) funds.

- Drop-in Centers - These centers serve as places for homeless persons to go during the times that shelters are not open, usually during the day. These centers serve as a safe place where homeless persons can access services. Drop-in centers in urban areas are often credited with helping to alleviate crime.
- Outreach - Many long-term homeless persons are distrustful of traditional services and chose to live outside or in other places not meant for human habitation, such as abandoned buildings or campsites. Through outreach services, staff makes visits to these persons to deliver essential items such as food and blankets to start building the trust needed to convince them to "come inside" to shelters and start the process towards long term housing.

### *Transitional Housing*

Transitional housing targets homeless persons and families that are prepared to take steps toward living independently. The settings for transitional housing vary, but there are two main models. (1) Congregate settings are houses or group of units, where all participants stay on-site together. (2) Scattered Site programs are generally market rental units in the community which allow participants to live more independently with the potential to stay in the unit after the participant leaves the program. Transitional Housing participants are required to pay at least 25% of their income towards rent and participate in case management.

### *Runaway and Homeless Youth Programs*

The Runaway and Homeless Youth Act supports street outreach, drop-in center, emergency shelter, transitional living program and youth supportive housing programs. Similarly, the federal-state demonstration grant titled “Support Systems for Rural Homeless Youth” (SSRHY) was a grant to work with local rural communities and youth to develop a rural specific Transitional Living Program (TLP). OEO works collaboratively with Lutheran Social Services of Brainerd and an SSRHY Advisory Committee (made up of youth who have experienced homelessness, staff from rural and reservation programs and other stakeholders) to develop a transitional living program that is culturally specific to the rural communities of Brainerd and two Reservations-Leech Lake and Bois Forte. These three programs provide transitional housing, supportive services, positive youth development opportunities and connections to cultural traditions for at-risk and homeless youth between the ages of 16 and 21.

CAAs are also the primary administrator of Family Homeless Prevention and Assistance Program funding, administered by Minnesota Housing, which assists households that are at imminent risk of homelessness to keep their housing. And many CAAs oversee the distribution of FEMA Emergency Food and Shelter Program funds that address emergency needs and are direct providers of shelter and transitional housing programs.

Many CAAs provide a continuum of housing services from emergency motel stays, to rental deposits, to stabilization in order to help people when they fall behind on their rent. One of the more successful projects aides those with housing to maintain it by offering mortgage and first month's rent assistance. These families receive individual case managers who provide budget assistance. All clients have maintained their housing with targeted supportive services. Families become focused on maintaining their housing and learn skills that they need to improve other aspects of their lives, such as budgeting and employment.

Another important program focuses on renter education. At one local CAA the renter education program was created by a county homeless response team, facilitated by a Community Action Agency, and pulls together in collaboration 22 service providers and landlords. Due to landlords' tendency to use a stringent screening process, many people with a poor rental history are not chosen as renters. The renter education program provides classroom training and individual counseling, and offers people the opportunity to receive a credential that local landlords seriously consider in their rental decisions.

Many CAAs provide Mortgage Foreclosure Prevention Programs designed to help homeowners maintain stable housing, establish financial stability, and acquire strategies to avoid similar situations in the future. Through the Mortgage Foreclosure Prevention Program, CAAs work with homeowners to address problems that are occurring or are expected to occur because of a default on a home mortgage. They negotiate with mortgage companies, conduct family budgeting, credit reviews, loan repayment planning, information/referral and outreach. As a last resort, qualified homeowners may receive loans to assist them in making payments on a delinquent mortgage or contract for deed and other costs necessary to prevent foreclosure or the loss of their residence. Loans are made at a zero-percent interest rate over a term of thirty (30) years. They must be repaid at the end of the term or when the house is sold. All loans are approved through a local loan committee with area lender participation. This program is a critical resource for families facing mortgage foreclosure by stabilizing their housing and preventing homelessness.

**(vi) obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs;**

One of the central roles for Minnesota Community Action is to support people as they fulfill their basic needs for food, clothing, and shelter. Following the theory of Maslow's hierarchy, grantees recognize that until urgent basic needs are met, permanent solutions to leaving poverty will be unattainable for most people. As with all Community Action services, a variety of strategies are employed. For purposes of this plan, a few are highlighted as follows.

Another way that Minnesotans' urgent needs are met is through Community Action work on dental and medical issues. Throughout the state low income families have difficulty accessing dental care. One Community Action Agency has met this challenge by collaborating with a local dental clinic. This clinic has two mobile units that typically provide care for elderly nursing home residents. However, to meet the needs of low income families this clinic now provides services at Head Start

centers. On-site dental exams and treatment are provided to children ages 12 months to five years who are in need of services but are unable to access them.

With the implementation of the Affordable Care Act, Minnesota Community Action Agencies, MinnCAP and OEO have been actively engaging around outreach, education and enrollment support. MNSure, as the Minnesota state-run exchange is known, is currently seeking applications for in-person assisters and navigators, as well as outreach grants. CAAs have submitted applications for both, and will be playing an active role in helping low-income Minnesotans access health care insurance as this new system rolls out beginning October 1, 2013.

Through other CAA effort the elderly population receives daily meals delivered to their home. Not only are their immediate needs being met, but they also receive preventative case management. Case managers deliver nutrition and health education to these clients as well as assistance with medical needs. Local agencies, tribes, and volunteers are aware of the cultural necessities of American Indian populations in regards to solving immediate health, food, and shelter needs.

Another way that Minnesota Community Action Agencies provide emergency assistance is by offering emergency loans to aid in housing crisis. This program aides homeless families into finding temporary housing and moves them toward permanent housing. This Community Action Agency provides case management while program recipients are living in their transitional housing unit. The major goals of this program to secure immediate shelter, secure employment, and organize a network including county social services, the school system, the local workforce center, and other human service providers to secure the various services needed to stabilize homeless families.

Some other ways that Minnesota Community Action Agencies provide emergency assistance to families are the following: making gas and taxi vouchers available for people to get to job interviews or work; operating shops that sell used clothing at low cost; and, distributing vouchers from the Minnesota Department of Agriculture, redeemable for food products grown and processed in Minnesota.

Eight CAAs were funded by the Blue Cross Blue Shield foundation for an emergency service program to meet a community need that has persisted since the economic downturn. One CAA used these funds to leverage a revolving loan fund which helps clients to meet transportation needs (e.g. down payments, repairs, and initial insurance payments) through a combination of loans and grants. The program was designed to serve up to 374 people from May through September 2012.

- (vii) achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts.

Minnesota CAAs have increasingly focused on high impact strategies to alleviate poverty. Efforts to engage the broader community in these strategies to eliminate poverty occur in many different ways.

One specific example of this work is a Community Action Agency that offers a *You Be The Change* leadership development program for low-income community members to develop advocacy and leadership skills. The program ensures that low-income community members play an active role in decisions being made that affect their quality of life by building a base of grassroots power to address issues related to poverty. Participants receive approximately 25 hours of training in leadership and civic engagement skills. The individuals selected will be expected to commit to approximately 55 hours of participation over a 6-month period.

Community Action Agencies have been active since the first meeting in 2007 when the MN Legislature put into action a *Joint Legislative Commission to End Poverty in Minnesota by 2020*. Because of the vital role of this commission and the experience of the Minnesota Community Action Partnership, and the initiatives of many of the CAAs throughout the state, the Community Action Network has been working diligently with the members of this Commission to offer assistance and input to their ideas and plans to end poverty. A final report can be viewed at [http://www.commissions.leg.state.mn.us/lcep/LCEP\\_Final\\_Report\\_SinglePgs.pdf](http://www.commissions.leg.state.mn.us/lcep/LCEP_Final_Report_SinglePgs.pdf). Subsequently, the asset building recommendations of the Commission has continued with the Ladders Out of Poverty task force, and again Community Action has figured prominently in this work.

Another way that a Minnesota Community Action Agency is involved in their community is through work with a safe exchange and parenting visitation center. Safe child exchanges and parent monitored visits are made possible through partnerships with a local learning center and the Head Start program. The program also works closely with law enforcement, attorneys, court systems and abuse centers. Services offered include safe and neutral exchanges; monitored visits; support

groups for children of divorced parents, a support group for teens of divorced parents, counseling, parent education, and parent support groups. This year 2,385 safe exchanges and 2,533 hours of supervised visits were completed, while utilizing 24 volunteers donating almost 1,400 hours.

A CAA began a Community Connectors Program in Southwestern Minnesota to provide bilingual community outreach staff for immigrant populations. New immigrant arriving in the area lack the language skills and other resources necessary to access public and private services needed to assimilate into the communities where they live. In 2011, the Community Connectors made nearly 2,000 contacts between immigrants and a wide range of services. Area services and the immigrants rely on the Connectors for this service. Service providers, including law enforcement, medical, and social service providers, report that systemic changes within their organizations have occurred in an effort to replicate the Connectors assistance model. These changes include hiring on-staff interpreters/translators and participating in an enhanced referral network within the community. As a result of the Connectors, immigrants are more connected to the community, have their basic needs more easily met, and become more self-sufficient and contributing members of the community.

One CAA lunched a Fair Food Access Campaign in the community. A collaborative partner is leading the Growing up Healthy Initiative, which is engaging low-income to identify health-related issues for local and statewide advocacy. Access to food is one of the top two priorities identified so far. Another collaborative partner facilitates the At Home in Duluth Collaborative, 25 neighborhood, nonprofit and public sector organizations working together on comprehensive neighborhood revitalization. This campaign included door knocking and engaging over 400 low-income people this summer culminating in a large meeting in August to identify potential food access solutions and strategies. The CAA is an active partner of these community efforts.

Two CAAs have worked locally to identify “food deserts” within their communities. At one CAA, CSBG was utilized to network within the community, provide the research identifying the two “food deserts”, garnering support from the city, vendors of the framers market and others, writing a grant with a focus on opening a “locally produced” grocery store that will create 20 jobs as well as offer healthy food at reasonable prices located adjacent to the two “food deserts” identified. The store will be located within the agency’s new building. If funded the profits from the store will contribute to paying off the mortgage, create 14 jobs within the store and 6 jobs in related businesses and increasing the income of area food producers, some of whom are low-income. At the other CAA, a Seeds of Success Urban Farming Program launched

Neighborhood Produce - a program designed to meet food access needs of low-income people over 50 years old who live in a “food desert.” Neighborhood Produce sells bags of fresh veggies for \$5 per “share” every Friday from 4-7 pm in front of a senior center in a high rise subsidized apartment building for seniors and people with disabilities. Each “share” is a grocery bag with a mix of seasonally available veggies grown in Duluth by Seeds of Success and harvested by the agency’s transitional employees who are gaining work experience and job skills.

The Minnesota Community Action Partnership (MinnCAP) collaborates with the University of Minnesota and OEO to host a biannual Best Practices Award Ceremony. This event honors Community Action Agencies that have used proven innovative and creative practices to improve the lives of the low-income families they serve. Hundreds of people gather at the annual recognition event, including legislators, to celebrate award winners and the successes of Community Action Agencies across the state. To qualify, each agency that submitted a best practices application had to nominate a program to compete in one of the six national Community Action goal categories. Professors from the University of Minnesota evaluate the applications and select each year’s winners.

- (2) **To address the needs of youth in low income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and after-school child care programs;**

Minnesota Community Action grantees recognize the importance of addressing the needs of youth if the cycle of poverty is to be broken. A variety of services are provided ranging from prevention activities to employment/education opportunities to crisis services. Last year’s Community Action Report showed that several thousand youth were served through a variety of education, employment and prevention activities. A few of the specific programs are highlighted as follows.

Before the development of a teen parent mentor program, one Minnesota crisis nursery was rarely utilized by teens. Subsequently, the Community Action Agency instigated an outreach to teens, and developed a program that matches teen parents with a crisis nursery

child care provider. This provider acts as a role model and mentor for the teen and provides overnight child care for one weekend every four to six weeks. Teen parents who have been involved in this program say it has strengthened their resolve to ask for help in times of crisis to ensure that their children do not suffer.

Throughout the state, Community Action Agencies have various programs that provide work and training to teens. At one particular agency, the Workforce Investment Act (WIA) program supervises teens while they work at public or nonprofit agencies such as schools, nursing homes, and Head Start centers, while being paid the federal minimum wage. Site managers supervise the teen workers, and coordinate with county employment and training specialists to ensure the worker receives appropriate job readiness skills. In addition, each teen is assessed for basic skills and educational needs, and accordingly provided individual assistance.

YouthBuild is a Minnesota program that addresses the needs of youth by offering employment and education opportunities. Various Community Action Agencies throughout the state house YouthBuild programs, and in one particular agency 75% of last year's participants received their GED or high school diploma. These youth worked on a Habitat for Humanity House, helped to maintain the agency's apartment building for low income people, painted a homeless shelter, and renovated apartments for people with disabilities.

One Tribal grantee focuses on the needs of youth through the creation of a local boys and girls club. This club caters to the specific needs of local American Indian youth ages 6 to 18 years old. On average daily attendance is 150-200 youth. Programs offered are in five core component areas: arts and culture, education, character and leadership development, health and life skills, and sports, fitness and recreation.

As mentioned previously, CAAs are involved in expanded efforts going on in Minnesota to serve runaway and homeless youth as well.

**(3) To make more effective use of, and to coordinate with, other programs (including State welfare reform efforts).**

Across the state Community Action grantees collaborate with multiple and various local partners, and over the past several years these collaborative activities have increased dramatically. By developing partnerships and sharing resources grantees realize both cost and time savings in providing services. Clients benefit as the traditional barriers between agencies dissolve and everyone works toward a common goal. This is especially critical when working with people facing multiple

challenges and needs, as is often the case with people experiencing poverty.

Grantees track a wide range of local collaborative efforts numbering in the thousands across the state. These efforts are captured in the Community Action Plan submitted by each agency. Being a part of the Minnesota Department of Human Services (the administering agency for Temporary Assistance for Needy Families (TANF)) will provide additional opportunities to partner in this area.

For FY2013, TANF funds were used to support FAIM, Minnesota's individual development account program.

**(b) Assurance '676(b)(4,): Eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low income individuals.**

Many Minnesota CAAs operate food shelves directly or partner and make referrals to community hunger partners.

OEO administers funds to Hunger Solutions Minnesota (HSM) for distribution to food shelves throughout the state. Funds are used to purchase nutritious food and to pay for the operating and administrative costs. The Emergency Food Assistance Program (TEFAP) distributes U.S. Department of Agriculture (USDA) donated food commodities to individuals and families who use on-site meal programs, food shelves and shelters. OEO also contracts with HSM to allocate USDA commodities. In 2012, Minnesota food banks distributed a total of over 69 million pounds of food to families and individuals statewide. This includes approximately 7.5 million pounds of USDA/TEFAP commodities. Foods available through food banks have changed significantly since the days of cheese and butter. Today, a wide variety of foods, including culturally specific items as well as manageable packing sizes appropriate for individual households are available through food banks. USDA commodity food has become a significant portion of nutritional food that food banks and food shelves provide to individuals and families in need.

The Supplemental Nutrition Assistance Program (SNAP) (formerly known as Food Stamps or Food Support in Minnesota), is a federal program designed to help people meet their nutritional needs and supplement their food income. The average benefit per case, per month is \$245 and is distributed through an Electronic Benefit Transfer (EBT) card that works much like a credit or debit card. DHS works with

counties to administer the program which, in 2011 had a participation rate of 65%.

To further the outreach activities of CAAs in Minnesota, the United States Department of Agriculture's Food & Nutrition Services approved CAAs to obtain reimbursement for 50% of outreach activities to further the enrollment and education of the Supplemental Nutrition Assistance Program (SNAP) across the state. Statewide outreach efforts harnessed the energy and expertise of 23 Community Action Agencies and 7 other hunger fighting organizations in FFY2013. Participating agencies conducting SNAP Outreach receive reimbursement funds from USDA. Activities are tailored to address unique community needs, but generally include SNAP promotion, eligibility screening and application assistance. Between 2008 and 2012 Minnesota's overall SNAP enrollment numbers increased from 308,638 participants to 548,400 participants – a 78% increase. Program improvements and increasing unemployment contributed to the increase. In 2012, Minnesota received the USDA High Performance Bonus for Most Improved Program Access Index (PAI) in recognition of statewide progress in making SNAP more accessible to Minnesotans in need.

OEO also administers a USDA SNAP-Education grant for nutrition education for SNAP-eligible clients. Delivered by community nutrition educators from the University of Minnesota Extension and Minnesota Chippewa Tribe, community nutrition educators use evidence-based, behaviorally-focused curriculum to help Minnesotans with limited financial resources stretch food dollars and make healthy choices. During FY 2012, the University of Minnesota Extension and Minnesota Chippewa Tribe SNAP-Ed programs had an overall goal to engage participants to choose healthful, safe foods and active lifestyles using the information and skills gained as a result of SNAP-Ed programming. Programming focused on increasing fruit, vegetable, whole grain, and low-fat/no-fat calcium rich food intake, making wise food shopping and preparation choices, and being physically active each day. SNAP-Ed programming takes place where SNAP participants and SNAP-eligible persons congregate, including Community Action Agencies, schools, county human service offices, senior dining sites, food shelves, public housing, and treatment programs.

**(c) Assurance '676(b)(5): The State and the eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low income individuals and to avoid duplication of such services, and State and the eligible entities will coordinate the provision of employment and training activities in the State and in communities with entities providing activities through statewide and**

**local workforce investment systems under the Workforce Investment Act of 1998.**

Several Community Action Agencies are co-located with Minnesota Workforce Centers. Others link with though are not co-located.

OEO has sponsored opportunities for CSBG grantees and WIA delivery agencies to meet and train together over the years. OEO also partners with the state agency that administers WIA, supporting the state's plan and responding to requests for information and coordination as opportunities become available.

A one-day Collaborative Action for Employment (café) was held in November 2009 and again in November 2010. DHS, the Department of Employment and Economic Development (DEED), the University of Minnesota Extension, the Workforce Council Association, and MinnCAP were key partners in this collaborative activity. The objectives of the event were to:

- Ensure that there is a seamless referral system in place to ensure that low-wage, low-income people can maximize the services available to them;
- Create new and strengthen existing partnerships across systems to address current client needs and maximize resources available;
- Create new and strengthen existing partnerships across systems to address long-term community workforce needs to ensure economic success of the State.
- Sustaining impacts of ARRA investments.

**(d) Assurance '676(b)(6): The State will ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under title XXVI (relating to low income home energy assistance) are conducted in such communities.**

Most CSBG grantees operate both the LIHEAP and Weatherization programs. Where they do not, grantees are monitored to verify that planned coordination occurs.

**(e) Assurance '676(b)(9): The State and eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations.**

Local partnerships are central to Community Action. Across Minnesota, CAAs maintain over 10,000 community wide partnerships in areas such as child care, child support, continuum of care, early education programs, emergency food programs, Energy Assistance/Weatherization, faith-based efforts, family service collaboratives, Head Start, human service agencies, surplus commodity distribution programs, Transitional Housing, vocational rehabilitation programs, and Workforce Centers. Community Action actively works with these partners to expand resources and opportunities in order to achieve family and community outcomes and to ensure that resources are used appropriately and effectively.

The above assurances are carried out through the state law and state rule, through the State's contract activity (including work plans and budgets), annual audits and through annual monitoring of local entities by the State.

The Minnesota Community Action Act (M.S. 256E.30-32) is included as Appendix A and may also be found at:

<https://www.revisor.leg.state.mn.us/statutes/?id=256E>

The Minnesota Rule 3350.0010 to 3350.0200 relating to CSBG eligible entities may be found at:

<http://www.revisor.leg.state.mn.us/arule/3350/>

## **G. Fiscal Controls and Monitoring**

### *(1) State Program Monitoring*

As required under Section 678B(a) of the Act, the State provides the following reviews of local entities:

- (a) a full onsite review of each such entity at least once during each three-year period [Note that Minnesota's current policy is to monitor local agencies annually];
- (b) an onsite review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the community services block grant program;
- (c) follow-up reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State;
- (d) other reviews as appropriate, including reviews of entities with programs that have had other Federal, State or local grants (other than assistance provided under the community services block grant program) terminated for cause; and,

(e) annual audits are required of each local entity. The date of the last audit conducted and the period covered by the audit for each eligible entity is on file at DHS/OEO.

## **Minnesota CSBG Monitoring Principles and Best Practices**

### **Philosophy and Background**

The federal CSBG Act requires that CSBG grantees be monitored at least once every three years. Beyond this requirement, good monitoring is a good idea. It is a good business practice because it can assist Community Action Agencies to continually improve outcomes as they strive to adopt high impact strategies to end poverty. It is an important part of a strong partnership that should be forged between the state CSBG office, the state CAP Association and the local agency to build capacity at the local level, and to provide training and technical assistance to grantees so that they can excel in their work.

Monitoring is perhaps the most difficult, sophisticated, and professional task that a CSBG office conducts. Only well trained staff are doing this important work, which validates compliance with rules and regulations and links grantees to the resources they need to meet their mission to end poverty in Minnesota.

### **Some Guiding Principles**

OEO has adopted Head Start (Region V) "Guiding Principles for Partnership" in monitoring, in an effort to form meaningful and constructive partnerships. These principles set a positive tone for working together. The principles are mutual respect, open communication, joint problem solving, and empowerment through diversity and are defined as follows:

#### *Mutual Respect*

In working with grantee boards, staff, and consultants, we will value and recognize the unique knowledge, ability, and independence of each person. We are committed to treating all persons fairly and maintaining credibility by matching actions with words.

#### *Open Communication*

Effective communication is key in facilitating good working relationships with partners, and we are committed to keeping lines of communication open. The purpose of our communication is to assist in developing solutions to problems, to share program improvement ideas, and provide information on new developments in the anti-poverty field. We intend to communicate frequently through a variety of tools and media. We are open to you contacting us and are committed to listening to you and to gain an understanding of your operations and to assist you in pursuing your priorities.

### *Joint Problem Solving*

We operate under the basic belief that a team approach to problem solving is in the best interest of all parties involved. We sincerely believe that collectively we can arrive at the best solution to any situation. Through a team approach to problem solving, we are forced to think outside our traditional ways and come up with the best strategies for program development, conflict resolution, or compliance issues. We want to promote an environment in which we and our partners will be open to change and can work together in exploring options and developing mutually agreeable solutions. Our goal is to have agencies function independently with our support in an effort to meet the needs of local communities within the parameters set by legislation.

### *Empowerment through diversity*

As a voice of the poor in state government, OEO is receptive to the cultural diversity, multiple perspectives, and varying abilities of people in poverty. We acknowledge and respect diversity in terms of (but not limited to) race, religion, culture, socio-economic background, family generational history, physical and mental ability, age, gender, sexual orientation, political affiliation and veteran status. We resolve to support all forms of diversity as community and individual assets, and to ensure that we accurately portray the diversity of those in poverty in our work and daily decision-making.

### *Ethical Code of Conduct*

Honesty and integrity are part of our foundation. We will:

- Establish an ethical tone.
- Comply with applicable laws, regulations and policies.
- Act honestly and ethically.
- Ensure accuracy and reliability of information.
- Report any violations of code.

## **Standard Operating Procedures for Minnesota CSBG Monitoring**

Standard state CSBG office operating procedure for monitoring includes:

- collection and review of appropriate background information/other monitoring, prior to the visit to insure that the visit is relevant
- setting a date for monitoring that is reasonable and is reasonably in advance of the visit
- visits should have entrance and exit interviews
- board members are involved to the extent possible
- written reports for the visit are provided to the agency within a reasonable timeframe
- issues not covered in the visit exit interview are not be included in the written report and letter

- the state CSBG office follows up on findings from the visit
- the state office maintains communication with the grantee regarding strengths and weakness

### **Minnesota Best Practices for CSBG Monitoring**

- Meet with the board as whole, if possible
- Attend staff meetings and/or management meetings
- Take a tour of the office
- The CSBG office conducts an annual risk analysis to prioritize monitoring visits
- Review audit, 990's, and other financial papers and corporate documents as desk monitoring, prior to the visit
- Review last year's report and other available monitoring reports (Head Start, WX, LIHEAP)
- Auditors should make a presentation to the Board of Directors annually regarding the annual audit
- Boards should be well trained (annually)
- Peer review should be considered to meet particular needs and issues
- State monitors should be well trained
- Agencies should strive for excellence, not just for compliance
- Board, staff and monitors, all should have fiscal training
- Monitoring tools should be updated as needed
- Technical assistance should be provided as part of monitoring
- Local agencies should conduct self assessment as part of their internal monitoring

### **Topic Areas to Review in CSBG Monitoring**

Minnesota monitors grantees in at least the areas below. Specific tools are used to address these and other appropriate areas. Tools are updated regularly to insure relevance.

- Board of Directors (composition, training, function)
- Agency Vision, Mission, Values
- Administration and corporate documents review
- ROMA Implementation and achievement of results (Board and staff)
- Coordination/collaboration/linkages
- Systems/organizational/personnel/policies and procedures
  - HR
  - Fiscal
  - Records retention
  - Technology
  - Equipment and purchasing
- Planning, Evaluation, and Community Assessment
- CSBG Assurances and Prohibitions

- Reporting
- Audit and results of previous/other monitoring/fiscal issues
- Subgrantees/delegates
- Strengths and weaknesses
- Future goals and areas of special emphasis
- Agency changes
- Conflict Resolution and grievance procedures

## **10 COMMON PROBLEMS THAT MAY PLACE AN AGENCY AT RISK**

1. A change in key staff (executive director, fiscal director or major program director)
2. A poorly functioning or poorly trained board of directors
3. Lack of systems to support agency operations
4. An emergency (a natural or any other disaster)
5. An unresolved programmatic issue
6. Unresolved or new audit findings
7. Poor management practices by the Executive Director and/or board of directors
8. Internal conflicts involving the Executive Director, the board of directors, and/or the staff.
9. Lack of vision and mission (poor planning)
10. Crime

### *(2) Corrective Action, Termination and Reduction of Funding*

The State complies with the requirements of Section 678C of the Act requiring states to comply with certain requirements in the event that the State determines that an eligible entity fails to comply with the terms of an agreement or the State plan, to provide services under the Community Services Block Grant program or to meet appropriate standards, goals, and other requirements established by the State, including performance objectives. The State will follow the advice of counsel through the Minnesota Attorney General's Office to comply with this section.

### *(3) Fiscal Controls, Audits, and Withholding*

#### *(a) Fiscal Controls*

Grantees must have established fiscal controls and accounting procedures which assure the proper disbursal of and accounting for federal funds, including procedures for monitoring. The State will monitor grantee compliance for fiscal requirements, identify technical assistance needs for the improvement of fiscal control systems, and follow up needs for corrective action.

(b) Audit

As specified in Section 678D of the Act, the State shall prepare, at least every year, an audit of the expenditures of the State of amounts received under federal law and amounts transferred to carry out the purposes of federal law. These audits shall be conducted by an entity independent of any agency administering activities or services carried out under the federal law and shall be conducted in accordance with generally accepted accounting principles. Audits shall be conducted in the manner and to the extent provided in chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act Amendments of 1996." Within 30 days after the completion of each such audit in a State, the chief executive officer of the State shall submit a copy of such audit to any eligible entity that was the subject of the audit at no charge, to the legislature of the State, and to the Secretary.

(4) Assurances

**The assurance '676(b)(7):** Minnesota will permit and cooperate with federal investigations on the use of funds in order to ensure compliance with in accordance with section 678D of the Act by responding promptly to requests from the federal agency for information or other assistance.

**The assurance '676(b)(8):** Any eligible entity in the State that received funding in the previous fiscal year through a community services block grant under the community services block grant program will not have its funding terminated or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in Section 678C(b) of the Act. In complying with this assurance, the State will proceed on the advice of counsel, and in adherence with the CSBG Act, the State Act, and the State Rule.

**The assurance '676(b)(10):** The State requires each eligible entity in the State to establish procedures under which a low income individual, community organization, or religious organization, or representative of low income individuals that considers its organization, or low income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation. The State ensures compliance with this requirement through its contracting and monitoring requirements with local entities.

### *(5) Contract with grantees*

The contract the States has with the grantees of the CSBG dollars thoroughly describes the grantees responsibilities to the State in regard to this funding in Section I. A copy of the contact template is included in Appendix M.

## **H. Accountability and Reporting Requirements**

### *(1) RESULTS Oriented Management & Accountability (ROMA)*

By the mid 1990s, public policy discussions at all levels—federal, state, and local—were focusing on results. In 1996, Community Action in Minnesota began the transition to results-based management and implemented strategies for planning, training and reporting.

In 2000, work on a comprehensive family assessment tool started. The resulting Self-Reliance Achievement Scale (SRAS) was implemented statewide from 2002 through 2010. The SRAS tracks that status of people working with Community Action Agencies across a range of key areas in their lives including: hours of employment, job stability, income, child support, Earned Income Tax Credit, financial credit, housing stability and affordability, health insurance, child care, English proficiency, education, transportation, and informal supports. Because uncertainty with respect to future resources and because of expanding reporting requirements, the SRAS is now an optional tool for CAAs.

Results Oriented Management and Accountability (ROMA) built nicely on the work that had already begun within Minnesota's Community Action network, and provided a common framework and common language both nationally and within the state. The 6 national goals are the foundation of that framework:

- Goal 1: Low-income people become more self-sufficient.
- Goal 2: The conditions in which low-income people live are improved.
- Goal 3: Low-income people own a stake in their community.
- Goal 4: Partnerships among supporters and providers of service to low-income people are achieved.
- Goal 5: Agencies increase their capacity to achieve results.
- Goal 6: Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems.

The ROMA National Performance Indicators (NPIs) measure annual performance for each CAA's efforts. Collectively these get reported annually through the Community Services Block Grant/Information Survey (CSBG-IS) report. Minnesota reports these results each year in an annual Community Action report.

The ROMA cycle of assessment, planning, implementing, achievement of results, evaluation is utilized by local CAAs as well as by OEO on an ongoing basis, and again provides a shared framework for how we approach our work and measure our results.

Minnesota has 3 certified ROMA trainers, 2 of whom are state OEO staff. These staff offer periodic training to Minnesota's Community Action network, include local CAA Boards upon request.

The tables that follow contain selected examples of measurable results. They do not reflect the full scope of Community Action but rather they are examples currently available data from management information systems that are rapidly evolving. The tables are organized under the general ROMA categories of:

- Family
- Community
- Agency

Within each category, there are examples of results achieved with widespread impact in Minnesota.

It is important to note that these selected examples are drawn from a group of nearly 200 statewide measures. It is equally important to note that because each local Community Action Agency is unique, there are very few measures on which all agencies report. In fact, for many measures, only a handful of agencies deliver the service being measured. Due to space limitations, those measures are not published in this plan. This reflects the nature of Community Action, that the board for each local agency establishes priorities to meet their local needs. Though this local uniqueness makes statewide reporting clumsy, its more important virtue is that Community Action's local uniqueness makes the best possible use of limited resources in each community.

## **FAMILY RESULTS: Low-income people become more self-sufficient**

Outcome	Measure/Indicator	2011 Achievement
<b>Employment</b>		
· <i>Individuals in the community obtain employment or higher paying jobs.</i>	· Individuals who were unemployed obtained a job.	3,221
	· Individuals who obtain an increase in employment income.	2,316
<b>Employment Supports</b>		
· <i>Barriers to initial or continuous employment faced by low-income individuals are reduced or eliminated.</i>	· Individuals who completed ABE/GED or post-secondary education programs and received a certificate or diploma.	1,444
	· Individuals who obtained skills and/or competencies required for employment.	8,584

	<ul style="list-style-type: none"> <li>Individuals who obtained access to reliable transportation and/or driver's license in order to acquire or maintain employment.</li> </ul>	30,778
	<ul style="list-style-type: none"> <li>Individuals who obtained safe and affordable housing in support of family stability needed to gain or retain employment.</li> </ul>	4,477
	<ul style="list-style-type: none"> <li>Individuals who obtained food assistance in support of family stability needed to gain or retain employment.</li> </ul>	41,613
	<ul style="list-style-type: none"> <li>Families who obtained care for child or other dependent in order to acquire or maintain employment.</li> </ul>	9,540
	<ul style="list-style-type: none"> <li>Households who obtained non-emergency energy assistance.</li> </ul>	163,269
	<ul style="list-style-type: none"> <li>Households who obtained non-emergency weatherization assistance.</li> </ul>	9,642
<b>Economic Asset Enhancement and Utilization</b>		
<ul style="list-style-type: none"> <li><i>Households and individuals achieve an increase in non-employment financial assets, financial skills, and/or resource utilization skills.</i></li> </ul>	<ul style="list-style-type: none"> <li>Households in tax preparation programs who obtained a Federal or State tax credit.</li> </ul>	18,768
	<ul style="list-style-type: none"> <li>Estimated amount of tax credits.</li> </ul>	\$14,064,356
	<ul style="list-style-type: none"> <li>Individuals who demonstrated ability to complete a budget for over 90 days.</li> </ul>	6,298
	<ul style="list-style-type: none"> <li>Households who demonstrated good or restored credit.</li> </ul>	2,979
	<ul style="list-style-type: none"> <li>Individuals who increased their savings through an Individual Development Account (IDA) or other savings account.</li> </ul>	1,024
	<ul style="list-style-type: none"> <li>Estimated amount of increased savings.</li> </ul>	\$316,503
	<ul style="list-style-type: none"> <li>Individuals who capitalized a small business with accumulated savings.</li> </ul>	109
	<ul style="list-style-type: none"> <li>Individuals who pursued post-secondary education with accumulated savings.</li> </ul>	127
	<ul style="list-style-type: none"> <li>Individuals who purchased a home with accumulated savings.</li> </ul>	176
<b>Outcome</b>	<b>Measure/Indicator</b>	<b>2011 Achievement</b>
<b>Independent Living</b>		
<ul style="list-style-type: none"> <li><i>Number of vulnerable individuals receiving services from Community Action who maintain an independent living situation.</i></li> </ul>	<ul style="list-style-type: none"> <li>Senior Citizens served by Community Action.</li> </ul>	106,651
	<ul style="list-style-type: none"> <li>Individuals with disabilities served by Community Action.</li> </ul>	70,313
<b>Emergency Assistance</b>		
<ul style="list-style-type: none"> <li><i>Individuals receive emergency assistance to resolve crisis and are able to become and remain stable within their communities.</i></li> </ul>	<ul style="list-style-type: none"> <li>Individuals who received food or vouchers.</li> </ul>	45,385
	<ul style="list-style-type: none"> <li>Individuals who received emergency payments to vendors, including fuel and energy bills.</li> </ul>	111,918

	<ul style="list-style-type: none"> <li>· Individuals who received rent or mortgage assistance.</li> </ul>	7,166
	<ul style="list-style-type: none"> <li>· Individuals who received temporary shelter.</li> </ul>	1,583
	<ul style="list-style-type: none"> <li>· Individuals who adverted foreclosure and maintain their home.</li> </ul>	2,731
	<ul style="list-style-type: none"> <li>· Individuals who received clothing.</li> </ul>	22,817
<b>Child and Family Development</b>		
<ul style="list-style-type: none"> <li>· <i>Children and youth from low-income families participate in developmental or enrichment programs and achieve program goals.</i></li> </ul>	<ul style="list-style-type: none"> <li>· Infants and children that obtained age appropriate immunizations, medical and dental care.</li> </ul>	10,903
	<ul style="list-style-type: none"> <li>· Infants and children whose health and physical development are improved as a result of adequate nutrition.</li> </ul>	19,793
	<ul style="list-style-type: none"> <li>· Children who participated in preschool activities to develop school readiness activities.</li> </ul>	9,681
	<ul style="list-style-type: none"> <li>· Parents and other adults who learned and exhibited improved parenting skills.</li> </ul>	11,072
	<ul style="list-style-type: none"> <li>· Parents and other adults who learned and exhibited improved family functioning skills.</li> </ul>	8,617
<b>Family Support</b>		
<ul style="list-style-type: none"> <li>· <i>Low-income people who are unable to work, especially seniors, adults with disabilities, and caregivers, for whom barriers to family stability are reduced or eliminated.</i></li> </ul>	<ul style="list-style-type: none"> <li>· Obtained care for child or other dependent.</li> </ul>	6,749
	<ul style="list-style-type: none"> <li>· Obtained access to reliable transportation and / or driver's license.</li> </ul>	159,169
	<ul style="list-style-type: none"> <li>· Obtained safe and affordable housing.</li> </ul>	3,138
	<ul style="list-style-type: none"> <li>· Obtained food assistance.</li> </ul>	31,156
	<ul style="list-style-type: none"> <li>· Obtained non-emergency energy assistance.</li> </ul>	131,514
	<ul style="list-style-type: none"> <li>· Obtained non-emergency weatherization assistance.</li> </ul>	6,031
<b>Other Services Provided</b>		
<ul style="list-style-type: none"> <li>· <i>The number of services provided to low-income individuals and/or families.</i></li> </ul>	<ul style="list-style-type: none"> <li>· Pounds of food.</li> </ul>	3,538,150
	<ul style="list-style-type: none"> <li>· Rides provided.</li> </ul>	1,569,329

## COMMUNITY RESULTS: The Conditions In Which Low-Income People Live Are Improved

Outcome	Measure/Indicator	2011 Achievement
<b>Community Improvement &amp; Revitalization</b>		
<ul style="list-style-type: none"> <li>· <i>There is an increase in or safeguarding of threatened community opportunities and resources or services for low-income people as a result of Community Action projects and</i></li> </ul>	<ul style="list-style-type: none"> <li>· Safe and affordable housing units created in the community.</li> </ul>	560
	<ul style="list-style-type: none"> <li>· Safe and affordable housing units preserved or improved through construction, Weatherization or rehabilitation. *Includes loans, rehab work and/or advocacy.</li> </ul>	11,872

<i>initiatives, or advocacy with other public and private agencies.</i>	<ul style="list-style-type: none"> <li>· Accessible and affordable health care services/facilities for limited low-income people created or maintained.</li> </ul>	5,542
	<ul style="list-style-type: none"> <li>· Accessible safe and affordable childcare or child development placement opportunities for low-income families created or maintained.</li> </ul>	17,344
	<ul style="list-style-type: none"> <li>· Accessible new or expanded transportation resources, or preserved transportation resources available to low-income families, including public or private transportation.</li> </ul>	1,077,063
	<ul style="list-style-type: none"> <li>· Accessible new or increased educational and training placement opportunities, or those are saved from reduction or elimination, that are available for low-income people in the community.</li> </ul>	2,770
<b>Information and Referral</b>		
<i>· Access to community resources is improved.</i>	<ul style="list-style-type: none"> <li>· Information, referral and outreach services provided to households requesting assistance.</li> </ul>	1,645,446
<b>Community Engagement through Maximum Feasible Participation</b>		
<i>· The number of community members working with Community Action to improve conditions in the community.</i>	<ul style="list-style-type: none"> <li>· Number of community members mobilized by Community Action who participate in community revitalization and anti-poverty initiatives.</li> </ul>	27,961
	<ul style="list-style-type: none"> <li>· Number of volunteer hours donated to the agency.</li> </ul>	1,407,580

## AGENCY RESULTS: Agencies increase their capacity to achieve results

Outcome	Measure/Indicator	2011 Achievement
<b>Expanding Opportunities through Community-Wide Partnerships.</b>		
<i>· Services and programs are efficient, well-integrated, non duplicative and meet the needs of low-income people in the community.</i>	<ul style="list-style-type: none"> <li>· The number of organizations, both public and private, that Community Action actively worked with to expand resources and opportunities in order to achieve family and community outcomes.</li> </ul>	8,947
<b>Broadening Agency Resource Base</b>		
<i>· Agency has increased funding to insure smooth program and agency operation in order to serve low-income individual and families more effectively.</i>	<ul style="list-style-type: none"> <li>· Funding leveraged through the Community Services Block Grant and the Minnesota Community Action Grant by Community Action Agencies (<i>Tribal Governments not included</i>).</li> </ul>	\$311 million
<b>Agency Capacity</b>		
<i>· Agency programs are regularly evaluated and improved to maximize strengths and deliver sound services to the community.</i>	<ul style="list-style-type: none"> <li>· Training hours that agency staff attended.</li> </ul>	150,226
	<ul style="list-style-type: none"> <li>· Training hours that agency Board of Directors attended.</li> </ul>	4,842

(2) *State Performance Measurement Data Collection Procedures*

In Minnesota, we use Results Oriented Management and Accountability (ROMA) and the performance measurement system required under Section 676(b)(12) of the CSBG Act. We build off of the CSBG Information Survey administered by the National Association for State Community Services Programs (NASCSP), and tailor it to meet our specific state needs, adding additional indicators as it pertains to programming in Minnesota. We require these reports and data submissions annually, along with monthly financial status reports. We offer regular training to grantees on ROMA in addition to annual performance measurement training. Examples of state guidance and instruction on performance measurement and reporting can be found in Appendix N.

(3) *Annual Report*

Section 678E(a)(2) of the Act requires each State to prepare and submit to the Secretary an annual report on the measured performance of the State and its eligible entities. Minnesota complies with this requirement through the annual submission of the CSBG-IS.

## **Administrative Requirements & Certifications**

### **Current program and fiscal staff contact information**

Connie Greer, Director  
connie.greer@state.mn.us  
651-431-3810

Daniel DuHamel, Program Manager  
daniel.j.duhamel@state.mn.us  
651-431-3819

Joelle Hoeft, Program Manager  
Joelle.hoeft@state.mn.us  
651-431-3813

Mailing Address:  
Office of Economic Opportunity  
MN Department of Human Services  
P.O. Box 64962  
St. Paul, MN 55164-0962

Fax: 651-431-7509

- Date of Last Audit – Minnesota Department of Human Services: July 11, 2013

Summary included (Appendix M), full audit available at  
<http://www.auditor.leg.state.mn.us/fad/2013/fad13-15.htm>

### Certifications attached:

- Anti-Lobbying
- Drug Free Workplace Requirements
- Debarment, Suspension and Other Responsibility Matters
- Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994, P.L. 103-227

## **VI. Appendices**

- Appendix A: Minnesota Community Action Act (M.S. 256E.30-32)
- Appendix B: Governor's Letter of Designation
- Appendix C: Notice of Public Hearing
- Appendix D: Public Hearing Minutes
- Appendix E: Legislative Hearing
- Appendix F: List of Current CSBG/MCAG Funding Grantees
- Appendix G: Minnesota Community Action Agencies Map
- Appendix H: Projected FY2014-2015 CSBG and MCAG Funding Levels
- Appendix H: FY2012-2013 CSBG and MCAG Funding Levels
- Appendix I: 2013 Minnesota Community Action Annual Report
- Appendix J: 2014-15 Minnesota Outcomes Catalogue
- Appendix K: 2014-15 State of Minnesota CSBG/MCAG Contract Template
- Appendix L: State Performance Measurement and Reporting Guidance
- Appendix M: Audit Summary

## Appendix A

### **256E.30 FINANCIAL ASSISTANCE FOR COMMUNITY ACTION AGENCIES.**

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#### **Subdivision 1. Authorization.**

The commissioner of human services may provide financial assistance for community action agencies, Indian reservations, and migrant and seasonal farmworker organizations to carry out community action programs as described in section [256E.32](#) in accordance with the Omnibus Reconciliation Act of 1981, Public Law 97-35, as amended in 1984, Public Law 98-558, state law, and federal law and regulation.

#### **Subd. 2. Allocation of money.**

(a) State money appropriated and community service block grant money allotted to the state and all money transferred to the community service block grant from other block grants shall be allocated annually to community action agencies and Indian reservation governments under clauses (b) and (c), and to migrant and seasonal farmworker organizations under clause (d).

(b) The available annual money will provide base funding to all community action agencies and the Indian reservations. Base funding amounts per agency are as follows: for agencies with low income populations up to 3,999, \$25,000; 4,000 to 23,999, \$50,000; and 24,000 or more, \$100,000.

(c) All remaining money of the annual money available after the base funding has been determined must be allocated to each agency and reservation in proportion to the size of the poverty level population in the agency's service area compared to the size of the poverty level population in the state.

(d) Allocation of money to migrant and seasonal farmworker organizations must not exceed three percent of the total annual money available. Base funding allocations must be made for all community action agencies and Indian reservations that received money under this subdivision, in fiscal year 1984, and for community action agencies designated under this section with a service area population of 35,000 or greater.

#### **Subd. 3. Reports.**

Each community action agency receiving funds under this section shall report annually to the commissioner concerning the use of the funds.

#### **Subd. 4. Definition.**

For the purposes of sections [256E.30](#) to [256E.32](#), "poverty level population" means the number of people whose household income is at or below the poverty line established by the United States Office of Management and Budget in accordance with the most recent state population figures established by the United States Department of Commerce, Bureau of the Census.

## Appendix A

### **History:**

1981 c 367 s 2; 1982 c 571 s 1-3; 1983 c 339 s 6; 1985 c 282 s 1,2; 1Sp1985 c 14 art 9 s 75; 1994 c 483 s 1; 1Sp1995 c 3 art 16 s 13; 1Sp1998 c 1 art 1 s 1,2; 2003 c 130 s 12; 2005 c 98 art 1 s 24; 2008 c 361 art 3 s 11

## **256E.31 COMMUNITY ACTION AGENCIES.**

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### **Subdivision 1. In general.**

A community action agency is a political subdivision of the state, a combination of political subdivisions, a public agency, or a private nonprofit agency which has the authority under its applicable charter or laws to receive funds under section 256E.30 to support community action programs as described in section 256E.32 and which was designated as an eligible entity under the Community Services Block Grant Act, Public Law 97-35, section 673(1), 95 Stat. 357, 512 (1981), as amended by, Act of October 30, 1984, Public Law 98-558, section 202, 98 Stat. 2878, 2884 (1984). For purposes of this subdivision, "eligible entity" also means any community action agency which qualified under all federal and state regulations applicable during the period from 1981 to September 30, 1984.

### **Subd. 2. Designation and recognition.**

To obtain recognition by the governor a community action agency must be designated by a political subdivision having jurisdiction over the entire area to be served by the agency. To designate a community action agency, the political subdivision must hold a public hearing, pass a resolution to designate, and file a "notice of intent to designate" and eligibility documents with the state office of economic opportunity for final review and authorization for a new community action agency.

### **Subd. 3. Administering board.**

Each community action agency shall administer its community action programs through a community action board consisting of 15 to 51 members.

(a) One-third of the members of the board shall be elected public officials, currently holding office, or their representatives.

(b) At least one-third of the members shall be persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area served.

(c) The other members shall be officials or members of business, industry, labor, religious, welfare, education, or other major groups and interests in the community. Each member of the board selected to represent a specific geographic area within a community must reside in the area represented.

## Appendix A

- (d) The public community action agency shall have an administering board which meets the requirements of this subdivision.
- (e) The statewide migrant seasonal farmworker organization known as the Minnesota Migrant Council and Indian reservations carrying out community action programs are exempt from the board composition requirements of this subdivision.

### **Subd. 4. Delegation of powers.**

If a community action agency places responsibility for major policy determinations with respect to the character, funding, extent, and administration of and budgeting for programs to be carried on in a particular geographic area within the community in a subsidiary board, council, or similar agency, that board, council, or agency shall be broadly representative of the area.

### **Subd. 5. Local participation.**

Each community action agency shall consult neighborhood based organizations composed of residents of the area or members of the groups served to assist the agency in the planning, conduct, and evaluation of components of the community action program.

### **Subd. 6. Functions; powers.**

A community action agency shall:

- (a) Plan systematically for an effective community action program; develop information as to the problems and causes of poverty in the community; determine how much and how effectively assistance is being provided to deal with those problems and causes; and establish priorities among projects, activities and areas as needed for the best and most efficient use of resources;

- (b) Encourage agencies engaged in activities related to the community action program to plan for, secure, and administer assistance available under section 256E.30 or from other sources on a common or cooperative basis; provide planning or technical assistance to those agencies; and generally, in cooperation with community agencies and officials, undertake actions to improve existing efforts to reduce poverty, such as improving day-to-day communications, closing service gaps, focusing resources on the most needy, and providing additional opportunities to low-income individuals for regular employment or participation in the programs or activities for which those community agencies and officials are responsible;

- (c) Initiate and sponsor projects responsive to needs of the poor which are not otherwise being met, with particular emphasis on providing central or common services that can be drawn upon by a variety of related programs, developing new approaches or new types of services that can be incorporated into other programs, and filling gaps pending the expansion or modification of those programs;

- (d) Establish effective procedures by which the poor and area residents concerned will be enabled to influence the character of programs affecting their interests, provide for

## Appendix A

their regular participation in the implementation of those programs, and provide technical and other support needed to enable the poor and neighborhood groups to secure on their own behalf available assistance from public and private sources;

(e) Join with and encourage business, labor and other private groups and organizations to undertake, together with public officials and agencies, activities in support of the community action program which will result in the additional use of private resources and capabilities, with a view to developing new employment opportunities, stimulating investment that will have a measurable impact on reducing poverty among residents of areas of concentrated poverty, and providing methods by which residents of those areas can work with private groups, firms, and institutions in seeking solutions to problems of common concern.

Community action agencies, migrant and seasonal farmworker organizations, and the Indian reservations, may enter into cooperative purchasing agreements and self-insurance programs with local units of government. Nothing in this section expands or limits the current private or public nature of a local community action agency.

(f) Adopt policies that require the agencies to refer area residents and community action program constituents to education programs that increase literacy, improve parenting skills, and address the needs of children from families in poverty. These programs include, but are not limited to, early childhood family education programs, adult basic education programs, and other lifelong learning opportunities. The agencies and agency programs, including Head Start, shall collaborate with child care and other early childhood education programs to ensure smooth transitions to work for parents.

### **Subd. 7. Agencies as local providers.**

Agencies defined by this section shall be considered among local providers of outreach services and activities for all antipoverty efforts.

### **Subd. 8. Categorical funds.**

Federal antipoverty categorical funds consolidated into block grants to the state of Minnesota shall be designated by the state for antipoverty purposes.

### **History:**

1981 c 367 s 3; 1982 c 571 s 4-8; 1985 c 282 s 3; 1986 c 411 s 1,2; 1987 c 403 art 2 s 133; 1994 c 632 art 4 s 65; 1Sp1995 c 3 art 16 s 13; 1997 c 162 art 2 s 25; 1Sp1998 c 1 art 1 s 3; 2005 c 98 art 1 s 24

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## **256E.32 COMMUNITY ACTION PROGRAMS.**

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### **Subdivision 1. In general.**

A community action program is a community based and operated program which:

## Appendix A

(1) includes or is designed to include a sufficient number of projects or components to provide, in sum, a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem;

(2) has been developed, and which organizes and combines its component projects and activities, in a manner appropriate to carry out all the purposes of sections 256E.30 to 256E.32; and

(3) conforms to any other supplementary criteria as the governor may prescribe consistent with the purposes and provisions of sections 256E.30 to 256E.32.

### **Subd. 2. Components.**

The components of a community action program shall be designed to assist participants, including homeless individuals and families, migrant and seasonal farmworkers, and the elderly poor to achieve increased self-sufficiency and greater participation in the affairs of the community by providing services and programs not sufficiently provided in the community by any governmental unit, any public institution, or any other publicly funded agency or corporation. Community action agencies, governmental units, public institutions or other publicly funded agencies or corporations shall consult on whether or not a program or service is sufficiently provided in the community.

### **Subd. 3. Administration.**

Components of a community action program may be administered by the community action agency when consistent with sound and efficient management and applicable law, or by other agencies. They may be projects eligible for assistance under section 256E.30, or projects assisted from other public or private sources; and they may be either specially designed to meet local needs, or designed pursuant to the eligibility standards of a state or federal program providing assistance to a particular kind of activity which will help in meeting those needs.

### **Subd. 4. Data classification.**

Data collected on individuals from which the identity of any individual receiving services may be determined are private data on individuals as defined in section 13.02.

### **History:**

1981 c 367 s 4; 1982 c 571 s 9; 1Sp1995 c 3 art 16 s 13; 1Sp1998 c 1 art 1 s 4; 2000 c 468 s 21; 2005 c 98 art 1 s 24



# STATE OF MINNESOTA

## Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

### Governor's Designation Letter

I, Mark Dayton, Governor of the State of Minnesota, designate the Minnesota Department of Human Services, Office of Economic Opportunity as the lead agency to administer the Community Services Block Grant. Correspondence should be directed to:

Ms. Connie Greer  
Director  
Office of Economic Opportunity  
Department of Human Services  
Post Office Box 64962  
St. Paul, Minnesota 55164-0962

This document, "The Community Services Block Grant 2014-2015 Plan," consists of the application and assurances pertaining to the Community Services Block Grant Act, Title VI, Subtitle B, of the Omnibus Budget Reconciliation Act of 1981, P.L. 97-248, as amended, and the COATS Human Services Reauthorization Act of 1998, P.L. 105-285.

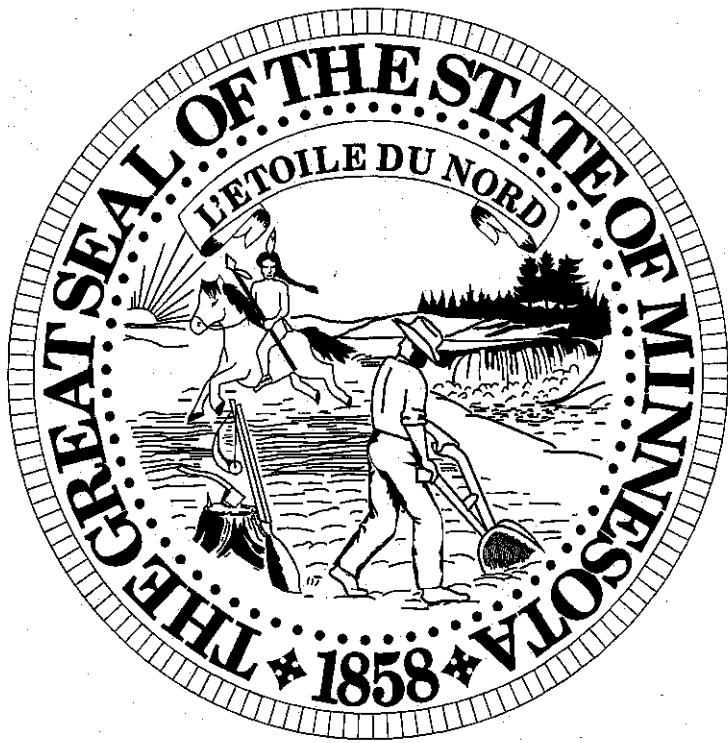
Mark Dayton  
Governor

Date

*June 11, 2013*

# Minnesota State Register

(Published every Monday (Tuesday when Monday is a holiday.)



Proposed, Adopted, Emergency, Expedited, Withdrawn, Vetoed Rules;  
Executive Orders; Appointments; Commissioners' Orders; Revenue Notices;  
Official Notices; State Grants & Loans; State Contracts;  
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Monday 22 July 2013  
Volume 38, Number 4  
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# **Minnesota State Register**

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<b>Lieutenant Governor:</b> Yvonne Prettner Solon (651) 296-3391	<b>Plant Management Division:</b> Christopher A. Guevin (651) 201-2350	<b>Assistant editor:</b> John Mikes (651) 297-4616, <a href="mailto:john.mikes@state.mn.us">john.mikes@state.mn.us</a>
<b>Attorney General:</b> Lori Swanson (651) 296-6196	<b>Minnesota's Bookstore:</b> Mary Mikes (651) 297-3979	<b>Subscriptions Manager:</b> Loretta J. Diaz (651) 297-8777, <a href="mailto:loretta.diaz@state.mn.us">loretta.diaz@state.mn.us</a>
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 Statewide Integrated Financial Tools (SWIFT) Supplier Portal:  
<http://supplier.swift.state.mn.us>  
 Contract information is available from the Materials Management (MMD) Helpline (651) 296-2600, or Web site: [www.mmd.admin.state.mn.us](http://www.mmd.admin.state.mn.us)  
 For additional contracts go to:  
<http://www.mmd.admin.state.mn.us/solicitations.htm>  
 For additional grants go to the Office of Grants Management (OGM) at:  
<http://www.grants.state.mn.us/public/>

# Minnesota Rules: Amendments and Additions

## NOTICE: How to Follow State Agency Rulemaking in the State Register

The *State Register* is the official source, and only complete listing, for all state agency rulemaking in its various stages. State agencies are required to publish notice of their rulemaking action in the *State Register*. Published every Monday, the *State Register* makes it easy to follow and participate in the important rulemaking process. Approximately 80 state agencies have the authority to issue rules. Each agency is assigned specific Minnesota Rule chapter numbers. Every odd-numbered year the Minnesota Rules are published. Supplements are published to update this set of rules. Generally speaking, proposed and adopted exempt rules do not appear in this set because of their short-term nature, but are published in the *State Register*.

An agency must first solicit **Comments on Planned Rules** or **Comments on Planned Rule Amendments** from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency (*Minnesota Statutes §§ 14.101*). It does this by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, or within 60 days of the effective date of any new statutory grant of required rulemaking.

When rules are first drafted, state agencies publish them as **Proposed Rules**, along with a notice of hearing, or a notice of intent to adopt rules without a hearing in the case of noncontroversial rules. This notice asks for comment on the rules as proposed. Proposed emergency rules, and withdrawn proposed rules, are also published in the *State Register*. After proposed rules have gone through the comment period, and have been rewritten into their final form, they again appear in the *State Register* as **Adopted Rules**. These final adopted rules are not printed in their entirety, but only the changes made since their publication as Proposed Rules. To see the full rule, as adopted and in effect, a person simply needs two issues of the *State Register*, the issue the rule appeared in as proposed, and later as adopted.

The *State Register* features partial and cumulative listings of rules in this section on the following schedule: issues #1-13 inclusive; issues #14-25 inclusive (issue #26 cumulative for issues #1-26); issues #27-38 inclusive (issue #39, cumulative for issues #1-39); issues #40-52 inclusive, with final index (#1-52, or 53 in some years). An annual subject matter index for rules was separately printed usually in August, but starting with Volume 19 now appears in the final issue of each volume. For copies or subscriptions to the *State Register*, contact Minnesota's Bookstore, 660 Olive Street (one block east of I-35E and one block north of University Ave), St. Paul, MN 55155, phone: (612) 297-3000, or toll-free 1-800-657-3757. TTY relay service phone number: (800) 627-3529.

## Volume 37 - Minnesota Rules

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## Proposed Rules

**Comments on Planned Rules or Rule Amendments.** An agency must first solicit Comments on Planned Rules or Comments on Planned Rule Amendments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency (*Minnesota Statutes §§ 14.101*). It does this by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, and within 60 days of the effective date of any new statutory grant of required rulemaking.

**Rules to be Adopted After a Hearing.** After receiving comments and deciding to hold a public hearing on the rule, an agency drafts its rule. It then publishes its rules with a notice of hearing. All persons wishing to make a statement must register at the hearing. Anyone who wishes to submit written comments may do so at the hearing, or within five working days of the close of the hearing. Administrative law judges may, during the hearing, extend the period for receiving comments up to 20 calendar days. For five business days after the submission period the agency and interested persons may respond to any new information submitted during the written submission period and the record then is closed. The administrative law judge prepares a report within 30 days, stating findings of fact, conclusions and recommendations. After receiving the report, the agency decides whether to adopt, withdraw or modify the proposed rule based on consideration of the comments made during the rule hearing procedure and the report of the administrative law judge. The agency must wait five days after receiving the report before taking any action.

**Rules to be Adopted Without a Hearing.** Pursuant to *Minnesota Statutes § 14.22*, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing. An agency must first solicit **Comments on Planned Rules or Comments on Planned Rule Amendments** from the public. The agency then publishes a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

**KEY:** **Proposed Rules** - Underlining indicates additions to existing rule language. **Strikeouts** indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **Adopted Rules** - Underlining indicates additions to proposed rule language. **Strikeout** indicates deletions from proposed rule language.

## Minnesota Pollution Control Agency (MPCA)

### Watershed Division

#### Proposed Permanent Rules Relating to Feedlots

#### DUAL NOTICE: Notice of Intent to Adopt Rules without a Public Hearing Unless 25 or More Persons Request a Hearing, and Notice of Hearing if 25 or More Requests for Hearing Are Received

#### Proposed Rule Amendments to *Minnesota Rules*, Chapter 7020, Governing Animal Feedlots, Chapter 7001, Governing Permits and Certifications, and Chapter 7002, Governing Permit Fees

**Introduction.** The Minnesota Pollution Control Agency (MPCA) intends to adopt rules without a public hearing following the procedures set forth in the rules of the Office of Administrative Hearings, *Minnesota Rules*, parts 1400.2300 to 1400.2310, and the Administrative Procedure Act, *Minnesota Statutes*, sections 14.22 to 14.28. If, however, 25 or more persons submit a written request for a hearing on the rules by 4:30 p.m. on August 26, 2013, one public hearing will be convened at 2:00 p.m. on Monday, September 9, 2013, and will continue until all parties are heard that afternoon, and it will resume at 7:00 p.m. that evening. The public hearing will be conducted at the MPCA St Paul Office, 520 Lafayette Road North, Saint Paul, Minnesota 55155, and, to enable the public to participate throughout the state, it will be broadcast via video-conference at the following MPCA Regional Offices:

- MPCA Brainerd Regional Office, 7678 College Road, Suite 105, Baxter, MN 56425
- MPCA Detroit Lakes Regional Office, 714 Lake Ave., Suite 220, Detroit Lakes, MN 56501
- MPCA Mankato Regional Office, 12 Civic Center Plaza, Suite 2165, Mankato, MN 56001
- MPCA Marshall Regional Office, 504 Fairgrounds Rd Suite 200, Marshall, MN 56258
- MPCA Rochester Regional Office, 18 Wood Lake Drive SE, Rochester, MN 55904
- MPCA Willmar Regional Office, 1601 Highway 12 East, Suite 1, Willmar, MN 56201

To find out whether the rules will be adopted without a hearing or if the hearing will be held, you should contact the MPCA contact person after August 26, 2013, and before September 9, 2013.

**MPCA Contact Person.** Comments or questions on the rules and written requests for a public hearing on the rules must be submitted to the MPCA contact person. The MPCA contact person is: Kim Brynildson, MPCA, Watershed Division, 520 Lafayette Road North, Saint Paul, MN 55155-4194, telephone: (651) 757-2250; fax: (651) 297-2343 and e-mail: [mnrule7020.pca@state.mn.us](mailto:mnrule7020.pca@state.mn.us)

TTY users may call the MPCA at TTY (651) 282-5332 or 1-800-657-3864.

# Proposed Rules

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**Subject of the Rules.** The MPCA proposes to amend *Minnesota Rules* Chapter 7020, rules governing animal feedlots. The amendments address changes governing the issuance of permits made to *Minnesota Statutes*, section 116.07, subdivision 7c ("Statutory Permitting Changes") in 2011. The MPCA is also taking this opportunity to remove obsolete rule requirements, address other statutory changes made since *Minnesota Rules* Chapter 7020 was adopted 13 years ago, and clarify certain existing rules. The MPCA also proposes minor amendments to *Minnesota Rules* Chapters 7001 and 7002 as they relate to feedlot permitting. The list below highlights some of the amendments the MPCA is proposing. For more information concerning the proposed amendments and the reasons supporting the amendments, please refer to the Statement of Need and Reasonableness, which is available as stated below.

**1. 2011 Statutory Permit Changes:** The 2011 Statutory Permitting Changes require the MPCA to issue National Pollutant Discharge Elimination System (NPDES) permits "only as required by federal law," unless a feedlot owner requests that an NPDES permit be issued. The MPCA is, therefore, amending the permitting provisions in *Minnesota Rules* Chapters 7020 and 7001, specifically parts 7020.0405 and 7001.1030, to reflect this change. State Disposal System (SDS) permits will still be required for facilities with the capacity of 1,000 animal units, as currently required.

**2. Additional Statutory Changes:** Since the last time the MPCA amended *Minnesota Rules* Chapter 7020 (October 2000), there have been five additional statutory changes affecting feedlots, as itemized below. The modifications the MPCA is currently proposing will update and better align the applicable rule provisions with each of the respective statutory changes.

**a. Pasture Definition.** The definition of the term "pasture" has been revised at *Minnesota Statutes* section 116.07, subdivision 7q, and also at *Minnesota Statutes*, section 116.07, subdivision 7d, resulting in two different definitions of the term. In addition, this term is also defined in existing *Minnesota Rules*, part 7020.0300, subpart 19. Consequently, the MPCA is proposing to modify the definition of "pasture" in *Minnesota Rules* Chapter 7020 to conform the rule definition to include all elements from both statutory subdivisions.

**b. No Permit Required.** *Minnesota Statutes*, section 116.07, subdivision 7g, exempts feedlots with more than 10, but less than 50, animal units that are not in shoreland areas from the requirement to obtain a permit. These facilities are not required to obtain a Construction Short Form or Interim Permit, but are still required to notify the permitting authority (MPCA or delegated county) of proposed construction or expansion.

**c. Neighbor Notification.** *Minnesota Statutes*, section 116.07, subdivision 7a, requires a feedlot owner to notify all residents and land owners located within 5000 feet of the feedlot, when proposing to construct or expand a facility capable of holding 500 animal units or more, as follows: (a) the notice must be provided 20 business days before the date on which a permit is issued; (b) the notice must also include the town clerk; and (c) the owner must certify and document that the notification requirements have been met. In addition, the MPCA or delegated county must verify that proper notification was provided before issuing a permit.

**d. Shoreland Restriction.** *Minnesota Statutes*, section 116.0711, subdivision 1c, allows a feedlot that is located in shoreland and that has been unused to resume operation after obtaining a permit from the MPCA or delegated county, regardless of the number of years that the feedlot was unused.

**e. Ten-year term for SDS permits.** *Minnesota Statutes*, section 115.03, subdivision 8b, was amended to allow SDS permits that are issued without an NPDES permit to be issued for a term of up to ten years.

**3. Obsolete Provisions:** The MPCA is proposing to delete a large number of obsolete rule provisions with this rulemaking. Many of these provisions related to the transition from the feedlot permitting system in the 1990s to the system that has been in place since 2000. The following are some obsolete provisions that will be deleted:

**a.** References to initial registration of feedlots (*Minnesota Rules* part 7020.0350), as this process is complete.

**b.** Existing *Minnesota Rules*, part 7020.2003, subparts 4-6, which pertain to Open Lot Agreements for feedlots capable of holding 300 or fewer animal units.

**c.** *Minnesota Rules*, part 7020.2110, which pertains to unpermitted or uncertified liquid manure storage areas (LMSA). The MPCA is proposing to allow an owner of certain unpermitted or uncertified LMSAs to seek approval from the MPCA or a County Feedlot Pollution Control Officer to use that LMSA, if it can be proven to be safe and not a pollution hazard.

## **Proposed Rules**

- d. References to documents that are no longer valid or necessary because they relate to rule provisions now obsolete.
4. **Clarifications:** The MPCA is also proposing certain revisions to *Minnesota Rules* Chapter 7020 to clarify the intent of the rule provisions and remove ambiguity. Four of the more substantive clarifications are highlighted below.
- a. **LMSAs.** Since the term "Liquid Manure Storage Area" is used in the existing rules, but is not currently defined, a clear definition is proposed at *Minnesota Rules*, part 7020.0300, subpart 13c. Because this new definition will include structures that, in practice, the MPCA has not always required to conform fully to the technical standards applicable to LMSAs, the MPCA is also proposing to amend *Minnesota Rules*, part 7020.2100, to clarify the requirements for the design, construction and operation of LMSAs to provide regulatory flexibility for certain LMSAs that pose a reduced risk.
- b. **Permit Processing.** The MPCA is also proposing to clarify the procedures that should be followed by counties and the MPCA and the rights of applicants as permits applications are processed to replace vague language in the existing rule at *Minnesota Rules*, part 7020.0535, subpart 3. In addition, the MPCA is proposing to clarify the term "modification" in the proposed rules, and, at part 7020.0405, subpart 5, to more clearly define the type of activities that would necessitate modifying an owner's feedlot permit.
- c. **Location Restrictions.** The MPCA is also proposing amendments to *Minnesota Rules*, part 7020.2005, subpart 1, to clarify the applicable reference to the Minnesota Department of Health rules governing the distance new feedlots and manure storage areas must be from water supply wells.
- d. **Emergency Plans.** The MPCA is also proposing to modify *Minnesota Rules*, part 7020.0505, subpart 4, to clarify that owners of feedlots with 1,000 or more animal units should include carcass disposal after a catastrophic event, such as a fire, extreme weather conditions, power failure or disease, in the facility's overall emergency response plan that is currently required to be submitted and approved by the MPCA as part of a permit application process.

**Statutory Authority.** The statutory authority to adopt these proposed rule amendments is *Minnesota Statutes*, section 115.03, subdivision 1(e) and in *Minnesota Statutes*, section 115.03, subdivision 5.

**Availability of Rules.** A copy of the proposed rules is published in the *State Register* after this notice, or they can be viewed at the following MPCA web sites: <http://www.pca.state.mn.us/iryp3c9> and at the Feedlot Rulemaking Web page: <http://www.pca.state.mn.us/tchyffd>. A free copy of the proposed rules is also available upon request by contacting Janice Lehner-Reil at: (651) 757-2091. Only one copy will be sent per request.

**Public Comment.** You have until 4:30 p.m. on August 26, 2013, to submit written comment in support of or in opposition to the proposed rules or any part or subpart of the rules. Your comment must be in writing and received by the MPCA contact person by the due date. Written comments may be submitted to the MPCA contact person at the address, Fax number, or email address listed above. Comments are encouraged. Your comments should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed. You are encouraged to propose any change desired. Any comments that you would like to make on the legality of the proposed rules must also be made during this comment period.

**Request for a Hearing.** In addition to submitting comments, you may also request that a hearing be held on the rules. Your request for a public hearing must be in writing and must be received by the MPCA contact person by 4:30 p.m. on August 26, 2013. Your written request for a public hearing must include your name and address. You must identify the portion of the proposed rules to which you object or state that you oppose the entire set of rules. Any request that does not comply with these requirements is not valid and cannot be counted by the MPCA when determining whether a public hearing must be held. You are also encouraged to state the reason for the request and any changes you want made to the proposed rules.

**Withdrawal of Requests.** If 25 or more persons submit a valid written request for a hearing, the public hearings, scheduled above, will be held unless a sufficient number withdraw their requests in writing. If enough requests for hearing are withdrawn to reduce the number below 25, the MPCA must give written notice of this to all persons who requested a hearing, explain the actions the MPCA took to affect the withdrawal, and ask for written comments on this action. If a public hearing is required, the MPCA will follow the procedures in *Minnesota Statutes*, sections 14.131 to 14.20.

**Alternative Format/Accommodation.** Upon request, this Notice can be made available in an alternative format, such as large print,

## **Proposed Rules**

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Braille, or cassette tape. To make such a request, or if you need an accommodation to make this hearing accessible, please contact the MPCA contact person at the address, telephone number, or email address listed above.

**Modifications.** The proposed rules may be modified, either as a result of public comment or as a result of the rule hearing process. Modifications must be supported by data and views submitted to the MPCA or presented at the hearing. The adopted rules may not be substantially different than these proposed rules, unless the procedure under *Minnesota Rules*, part 1400.2110, has been followed. If the proposed rules affect you in any way, you are encouraged to participate in the rulemaking process.

**Cancellation of Hearing.** The hearing scheduled for September 9, 2013, as indicated above, will be canceled if the MPCA does not receive requests from 25 or more persons that a hearing be held on the rules. If you requested a public hearing, the MPCA will notify you before the scheduled hearing whether or not the hearing will be held. You may also call the MPCA contact person at 651-757-2250 after August 26, 2013, to find out whether the hearing will be held.

**Notice of Hearing.** If 25 or more persons submit valid written requests for a public hearing on the rules, hearings will be held following the procedures in *Minnesota Statutes*, sections 14.131 to 14.20. The hearings will be held on the dates and at the time and places listed above. Each hearing will continue until all interested persons have been heard. Administrative Law Judge Ann O'Reilly is assigned to conduct the hearing. Judge O'Reilly can be reached at the Office of Administrative Hearings, 600 North Robert Street, P.O. Box 64620, Saint Paul, Minnesota 55164-0620; **telephone:** (651) 361-7844; **e-mail:** [ann.oreilly@state.mn.us](mailto:ann.oreilly@state.mn.us); and **fax:** (651) 361-7936.

**Hearing Procedure.** If hearings are held, you and all interested or affected persons, including representatives of associations or other interested groups, will have an opportunity to participate. You may present your views either orally at the hearing or in writing at any time before the close of the hearing record. All evidence presented should relate to the proposed rules. You may also submit written material to the Administrative Law Judge to be recorded in the hearing record for five working days after the public hearing ends. This five-day comment period may be extended for a longer period not to exceed 20 calendar days, if ordered by the Administrative Law Judge at the hearing. Following the comment period, there is a five-working-day rebuttal period during which the MPCA and any interested person may respond in writing to any new information submitted. No additional evidence may be submitted during the five-day rebuttal period. All comments and responses submitted to the Administrative Law Judge must be received at the Office of Administrative Hearings no later than 4:30 p.m. on the due date. All comments or responses received will be available for review at the Office of Administrative Hearings. This rule hearing procedure is governed by *Minnesota Rules*, parts 1400.2000 to 1400.2240, and *Minnesota Statutes*, sections 14.131 to 14.20. Questions about procedure may be directed to the Administrative Law Judge.

The MPCA requests that any person submitting written views or data to the Administrative Law Judge prior to the hearing or during the comment or rebuttal period also submit a copy of the written views or data to the MPCA contact person at the address stated above.

**Statement of Need and Reasonableness.** A Statement of Need and Reasonableness (SONAR) is now available from the MPCA, and can be viewed at the following MPCA websites: <http://www.pca.state.mn.us/iryp3c9> and at the Feedlot Rulemaking webpage: <http://www.pca.state.mn.us/tchyffd>. The SONAR contains a summary of the justification for the proposed rules, including a description of who will be affected by the proposed rules and an estimate of the probable cost of the proposed rules. A copy of the SONAR may also be obtained from the MPCA, at the cost of reproduction, by contacting Janice Lehner-Reil at (651) 757-2091. In addition, a copy of the SONAR can be reviewed at any of the MPCA offices listed above.

**Lobbyist Registration.** *Minnesota Statutes*, chapter 10A, requires each lobbyist to register with the State Campaign Finance and Public Disclosure Board. Questions regarding this requirement may be directed to the Campaign Finance and Public Disclosure Board at: Suite 190, Centennial Building, 658 Cedar Street, Saint Paul, MN, 55155, telephone: (651) 296-5148 or 1-800-657-3889.

**Request to Have MPCA Citizens' Board Make Decision on Rule if No Hearing is Required.** If hearings are required, the MPCA Citizens' Board will make the final decision on whether to adopt the proposed rules. However, even if hearings are not required, you may submit a request to the MPCA Commissioner or an MPCA Citizens' Board member to have the MPCA Citizens' Board make the decision on whether to adopt the proposed rule amendments. Your request must be in writing, must state to whom it is directed, and must be received by the MPCA contact person by 4:30 p.m. on August 26, 2013. Under *Minnesota Statutes*, section 116.02, where a hearing is not required, the MPCA Citizens' Board will only make the decision on the rule if the MPCA Commissioner grants your request or if an MPCA Citizens' Board member makes a timely request that the decision be made by the MPCA Citizens' Board.

**Adoption Procedure if No Hearing.** If no hearing is required, the MPCA may adopt the rules after the end of the comment period. The

# Proposed Rules

rules and supporting documents will then be submitted to the Office of Administrative Hearings for review for legality. You may request the MPCA contact person to notify you of the date the rules are submitted to the Office of Administrative Hearings. In addition, if you want to receive a copy of the adopted rules, or want to register with the MPCA to receive notice of future rule proceedings, submit your request to the MPCA contact person listed above.

**Adoption Procedure After a Hearing.** If hearings are held, after the close of the hearing record, the Administrative Law Judge will issue a report on the proposed rules. You may ask to be notified of the date when the Administrative Law Judge's report will become available, and can make this request at the hearing or in writing to the Administrative Law Judge. You may also ask to be notified of the date on which the MPCA adopts the rules and the rules are filed with the Secretary of State, and can make this request at the hearing or in writing to the MPCA contact person stated above.

**Order.** I order that the rulemaking hearings be held at the dates, time, and locations listed above.

Dated: 3 July 2013

John Linc Stine, Commissioner  
Minnesota Pollution Control Agency

## 7001.0210 GENERAL PERMITS.

[For text of subps 1 to 3, see M.R.]

Subp. 4. **Notice of intent.** The applicant and the agency shall follow the same procedures to issue a general permit as are required for the issuance of an individual permit. However, to comply with part 7001.0100, subpart 3.5, item C, the agency shall publish notice of intent to issue a general permit in the State Register.

[For text of subps 5 and 6, see M.R.]

## 7001.1030 PERMIT REQUIREMENT AND EXEMPTIONS.

[For text of subp 1, see M.R.]

Subp. 2. **Exemptions.** The following persons are not required to obtain a national pollutant discharge elimination system permit:

[For text of items A to G, see M.R.]

H. persons injecting water, gas, or other material into a well to facilitate the production of oil or gas; and

I. persons disposing of water in a well if this water is associated with oil and gas production; and

J. persons operating a feedlot who are not required to obtain an NPDES permit under federal law. This item does not release such persons from the requirement to obtain an NPDES permit to discharge a pollutant when required by federal law or from the requirement to obtain a state disposal system permit to discharge a pollutant into the waters of the state.

## 7001.1050 CONTENTS OF NPDES PERMIT APPLICATION.

[For text of subp 1, see M.R.]

Subp. 2. **Manufacturing, commercial, mining, and silvicultural discharges.** If the applicant is requesting the issuance, modification, revocation and reissuance, or reissuance of a national pollutant discharge elimination system permit for a manufacturing, commercial, mining, or silvicultural discharge, the applicant shall submit the following information to the commissioner:

[For text of items A to L, see M.R.]

M. If the applicant proposes to construct or operate a new or existing concentrated animal feeding operation or aquatic animal production facility, the information required in *Code of Federal Regulations*, title 40, section 122.21(h)(1).

[For text of items N and O, see M.R.]

## 7002.0253 WATER QUALITY PERMIT APPLICATION FEES AND ADDITIONAL FEES.

[For text of subp 1, see M.R.]

Subp. 2. **Additional points.** The points assessed for activities designated in this subpart shall be multiplied by the dollar per point

# Proposed Rules

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value as determined in part 7002.0252 to calculate the additional fee.

[For text of items A to C, see M.R.]

D. If a permit applicant requests a variance under parts part 7000.7000 or 7020.1900, the applicant shall pay a fee equivalent to 35 points.

[For text of items E and F, see M.R.]

## 7020.0205 INCORPORATION BY REFERENCE.

For the purposes of parts 7001.0020 and 7020.0200 to 7020.2225, the documents in items A to E-K are incorporated by reference. These documents are not subject to frequent change.

[For text of items A to D, see M.R.]

E. *Code of Federal Regulations*, title 40, part 412, Feedlots Point Source Category. This publication is available through the Minitex interlibrary loan system on the Internet at <http://www.epa.gov>.

F. *Code of Federal Regulations*, title 40, section 122.23, Concentrated Animal Feeding Operations part 122, EPA Administered Permit Programs: The National Pollutant Discharge Elimination System. This publication is available through the Minitex interlibrary loan system on the Internet at <http://www.epa.gov>.

[For text of items G and H, see M.R.]

I. Minnesota Natural Resources Conservation Service Practice Standard, Waste Storage Pond (Code No. 425), November 1991, or Waste Storage Facility (Conservation Practice Standard Code No. 313), January 1998, United States Department of Agriculture, Natural Resources Conservation Service, October 2003, and as subsequently amended. This publication is available through the Minitex system on the Internet at <http://www.nrcs.usda.gov>.

J. Feedlot Inventory Guidebook, Minnesota Board of Water and Soil Resources, June 1991. This publication is available through the Minitex interlibrary loan system.

K-L. Annual Book of American Society for Testing Materials (ASTM), part 4, ASTM D 2922, Test Method for Density of Soil and Soil-Aggregate in Place by Nuclear Methods (Shallow Depth). 1996 Edition. This publication is available through the Minitex interlibrary loan system.

L. An Evaluation System to Rate Feedlot Pollution Potential, United States Department of Agriculture, Agricultural Research Service, April 1982. This publication is available through the Minitex interlibrary loan system.

K. Published Soil Surveys for Minnesota, United States Department of Agriculture, Natural Resources Conservation Service (NRCS). The surveys are available on the Internet at [http://soils.usda.gov/survey/printed\\_surveys/state.asp?state=Minnesota&abbr=MN](http://soils.usda.gov/survey/printed_surveys/state.asp?state=Minnesota&abbr=MN) or at the local NRCS office.

## 7020.0300 DEFINITIONS.

[For text of subps 1 to 5, see M.R.]

Subp. 5a. [See repealer.]

Subp. 6. Certificate of compliance. "Certificate of compliance" means a letter from sent before October 23, 2000, by the commissioner or the county feedlot pollution control officer to the owner of an animal feedlot or manure storage area stating that the feedlot or manure storage area meets agency requirements.

[For text of subps 6a to 7c, see M.R.]

Subp. 7d. Concentrated animal feeding operation or CAFO. "Concentrated animal feeding operation" or "CAFO" means an animal feedlot meeting the definition of a large, medium, or small CAFO under *Code of Federal Regulations*, title 40, section 122.23.

[For text of subps 8 to 11a, see M.R.]

Subp. 11b. Facility. "Facility" means an animal feedlot, a manure storage area, or an animal feedlot with a manure storage area.

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[For text of subps 12 to 13b, see M.R.]

**Subp. 13c. Liquid manure storage area.** "Liquid manure storage area" means an area where liquid animal manure and process wastewaters are stored or processed. For purposes of this subpart, "liquid animal manure" is manure that does not meet the stockpile standard under part 7020.2125, subpart 1, item B.

[For text of subp 14, see M.R.]

**Subp. 14a. Modification.** "Modification" means a change to a facility component or operational practice described, required, or authorized by a permit issued under this chapter, including an expansion. Major and minor modifications are as defined in part 7001.0190.

[For text of subps 15 to 16, see M.R.]

**Subp. 17. Owner.** "Owner" means all persons having or proposing to have possession, control, or title to an animal feedlot or manure storage area.

**Subp. 18. Pastures.** "Pastures" means:

A. areas, including winter feeding areas as part of a grazing area, where grass or other growing plants are used for grazing and where the concentration of animals is such that a vegetation allows a vegetative cover is to be maintained during the growing season, except in the immediate vicinity of temporary supplemental feeding or watering devices; that vegetative cover is not required:

(1) in the immediate vicinity of supplemental feeding or water devices;

(2) in associated corrals and chutes where livestock are gathered for the purpose of sorting, providing veterinary services, loading and unloading trucks and trailers, and other necessary activities related to good animal husbandry practices; or

(3) in associated livestock access lanes used to convey livestock to and from areas of the pasture; or

B. agricultural land:

(1) where livestock are allowed to forage during the winter;

(2) that is used for cropping purposes in the growing season; and

(3) where the concentration of animals is such that a vegetative cover of crops is maintained during the growing season without the need for manure removal to avoid exceeding nutrient application rate standards as provided in part 7020.2225, except in the immediate vicinity of temporary supplemental feeding or watering devices.

[For text of subp 18a, see M.R.]

**Subp. 19. Permit.** "Permit" means a document written authorization issued by the agency or county animal feedlot pollution control officer, which may contain requirements, conditions, or schedules for:

A. achieving compliance with the discharge standards and requirements for;

B. management of animal manure; or

C. construction or operation of animal holding areas or manure storage areas. Permits issued under this chapter are NPDES, state disposal system, interim, and construction short-form permits.

[For text of subps 19a to 23, see M.R.]

**Subp. 24. State disposal system permit or SDS permit.** "State disposal system permit" or "SDS permit" means a state permit that may be issued in accordance with parts 7001.0040, 7001.0050, 7001.0100, subparts 4 and 5, and 7001.0110 chapter 7001.

**Subp. 25. Unpermitted or noncertified liquid manure storage area.** "Unpermitted or noncertified liquid manure storage area" means a liquid manure storage area that is in operation and has never been permitted or approved as meeting the standards in part 7020.2100 and that did not obtain approval or certification pursuant to the process established in Minnesota Rules 2011, part 7020.2110.

A. the owner does not have an agency or delegated county permit or certificate of compliance for the manure storage area and was required to apply for and obtain a permit or certificate of compliance prior to the construction or operation of the manure storage area; or

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B: the owner has not complied with the preoperational requirements of part 7020.2100 or permit requirements, if applicable.  
[For text of subp 26, see M.R.]

Subp. 27. Waters of the United States. "Waters of the United States" has the meaning given under the federal Clean Water Act.

## 7020.0350 REGISTRATION REQUIREMENTS FOR ANIMAL FEEDLOTS AND MANURE STORAGE AREAS.

Subpart 1. **Registration data.** After January 1, 2002, The agency and all delegated counties shall maintain registration data for animal feedlots and manure storage areas. The registration data must include the information required in a Level II feedlot inventory as described in the Feedlot Inventory Guidebook and must contain the following:

A. date the registration form was completed;

B. name and address of all owners of the animal feedlot, or manure storage area, or pasture;

[For text of items C to J, see M.R.]

[For text of subp 2, see M.R.]

Subp. 3. [See repealer.]

Subp. 4. Registration requirements after January 1, 2002. Owners of animal feedlots and manure storage areas who are required to register under subpart 2 shall comply with items A and B, as applicable.

A. Owners of facilities not in operation prior to January 1, 2002, shall register with the commissioner or delegated county prior to or upon commencement of operation. Owners shall comply with at least one of the following:

[For text of subitems (1) and (2), see M.R.]

B. Owners shall update their registrations prior to the registration update deadlines, which shall be established by adding four-year increments to the initial registration deadline of January 1, 2002. Owners shall register at least once during each of the four-year registration update intervals by meeting one of the following:

(1) the owner shall comply with requirements of item A, subitem (1) or (2); or

(2) the owner shall be listed on a feedlot inventory that:

(a) is a Level II or Level III inventory as described in the Feedlot Inventory Guidebook that contains the information under subpart 1, items A and E to J;

(b) has been updated within the applicable four-year registration interval;

(c) contains the information required under subpart 1, items B to D and K; and

(d) in its updated form has been submitted to the commissioner, including the information in unit (c).

[For text of subp 5, see M.R.]

## 7020.0405 PERMIT REQUIREMENTS.

Subpart 1. **Permit required.** Four types of permits are issued under this chapter and chapter 7001: interim permits, construction short-form permits, SDS permits, and NPDES permits. The owner shall apply for a permit as follows:

A. an NPDES NPDES/SDS permit for the construction and, expansion, modification, or operation of an animal feedlot that meets the criteria for a CAFO as required by federal law;

B. unless required to apply for a permit under item A, an SDS permit under the following conditions: for the construction, expansion, modification, or operation of an animal feedlot or manure storage area:

(1) the construction and operation of an animal feedlot or manure storage area that has been demonstrated not to meet the criteria for CAFO and is capable of holding 1,000 or more animal units or the manure produced by 1,000 or more animal units; that is capable of holding, or will be capable of holding, 1,000 or more animal units or the manure produced by 1,000 or more animal units;

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(2) the facility that does not comply with all applicable requirements of parts 7020.2000 to 7020.2225 and for which the pollution hazard cannot be, or has not been, corrected under the conditions in part 7020.0535 applicable to interim permits;

(3) for which the owner is proposing to construct or operate with a new technology. An SDS permit is required for new technology operational methods while these operational methods are employed; or

(4) the facility is one for which conditions or requirements other than those in parts 7020.2000 to 7020.2225 were assumed:

*[For text of units (a) and (b), see M.R.]*

C. unless required to obtain a permit under items A and item A or B, an interim permit for:

(1) facilities a facility identified as a pollution hazard; or

(2) a facility where the owner is proposing to expand to a capacity of 300 animal units or more, or the manure produced by 300 animal units or more, and that has been identified as a pollution hazard; or

(2) (3) an animal feedlot or a manure storage area with a capacity of 300 or more animal units prior to applying manure or process wastewater:

(a) on land where the soil phosphorus test levels exceed the levels in part 7020.2225, subpart 3, item C;

(b) on land in special protection areas with slopes exceeding six percent; or

(c) in a drinking water supply management area where the aquifer is designated vulnerable under chapter 4720; or

D. unless required to obtain a permit under items A to item A, B, or C, a construction short-form permit for an animal feedlot or manure storage area proposing to construct or expand to a capacity of 300 animal units or more, or the manure produced by 300 animal units or more. However, if a facility is determined to be a pollution hazard and the owner is proposing to expand to a capacity of 300 animal units or more, or the manure produced by 300 animal units or more, the owner shall apply for an interim permit under item C.

### **Subp. 2. Expansion and stocking limitations requirements.**

A. Prior to expansion or modification, an owner required to apply for a construction or operating permit under subpart 1, item A or B, shall have obtained the permit, or permit modification, as applicable.

B. Prior to expansion, an owner required to apply for a construction permit under subpart 1, item C or D, shall have obtained the permit, or permit modification, as applicable.

C. An owner issued an interim permit that authorizes construction for an expansion shall not stock the expansion prior to the fulfillment of all permit conditions related to the correction of the pollution hazard for which the interim permit was issued.

### **Subp. 3. No permit required. The An owner of an animal feedlot or manure storage area is not required to apply for a permit for:**

A. a feedlot or manure storage area that meets the requirements of part 7020.2003, subparts 4 to 6;

B. A. a short-term stockpile or compost site if the owner is not an owner of an animal feedlot or manure storage area other than a short-term stockpile or composting site;

C. B. a livestock facility located on county fairgrounds; or

D. C. a change in an existing facility that consists solely of a change in ownership of the building, grounds, or feedlot; or

D. an animal feedlot with more than ten but less than 50 animal units that is not in a shoreland area.

### **Subp. 4. New name; change of ownership. Prior to the change in the ownership or control of an animal feedlot or manure storage area issued**

A. Before changing the name of a facility operating under a permit issued under this chapter, the new owner shall submit to the permitting authority, either the commissioner or county feedlot pollution control officer the information required in item A or B, as

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applicable. If the commissioner or county feedlot pollution control officer determines that the new owner meets the requirements for obtaining the permit, then the commissioner or the county feedlot pollution control officer shall issue the permit to the new owner. The new owner shall submit who issued the permit, documentation of the new name and the permitting authority shall issue a permit modification reflecting the new name.

B. Before changing ownership or control of an animal feedlot or manure storage area issued a permit under this chapter, the new owner shall submit to the permitting authority the information required under part 7001.0190. If the permitting authority determines that the new owner meets the requirements for obtaining the permit, then the permitting authority shall issue the modified permit to the new owner. All other modifications must comply with subpart 5.

A. a request for permit modification according to part 7001.0190 for facilities covered under an SDS or NPDES permit; or

B. a change of ownership form provided by the commissioner.

## **Subp. 5. Modification of permit.**

A. If an owner of a facility that has coverage under an NPDES/SDS or SDS permit plans to make a modification, the owner must follow the procedures in chapter 7001. Modifications that do not meet the criteria in part 7001.0190 are considered major modifications and must follow the procedures in parts 7001.0100 to 7001.0130.

B. If an owner of a facility with coverage under an interim or construction short-form permit plans to make a modification, the owner must seek approval from the permitting authority on a form provided by the commissioner. The form must be submitted to the permitting authority at least 30 days before making the modification.

## **7020.0505 PERMIT APPLICATIONS AND PROCESSING PROCEDURES.**

Subpart 1. **Submittals.** Permit applications must be submitted according to items A and B. An application is complete when all applicable information in subpart 4 and application fees under parts 7002.0250 and 7002.0310 have been received by the commissioner or the county feedlot pollution control officer, as appropriate. Incomplete permit applications must not be processed by the commissioner or delegated county feedlot pollution control officer.

A. NPDES and SDS permit applications must be submitted to the agency in accordance with this part and chapter 7001, with a copy submitted to the delegated county.

B. Interim permit and construction short-form permit applications must be submitted to the agency or delegated county in accordance with this part and part 7020.0535.

**Subp. 2. Permit application submittal schedule.** An owner of an animal feedlot or a manure storage area who is required to apply for a permit under part 7020.0405, subpart 1, shall apply in accordance with the following according to the schedule: provided in items A to D.

A. the following facilities that are in existence on or before October 23, 2000, must submit a permit application by June 1, 2001:

(1) a CAFO; and

(2) an animal feedlot capable of holding 1,000 animal units or more or a manure storage area capable of holding the manure produced by 1,000 animal units or more for which the owner has demonstrated that the facility does not meet the CAFO criteria;

B. a CAFO as determined through the case-by-case determination process under Code of Federal Regulations, title 40, section 122.23(c), shall submit a permit application by the submittal deadline established by the commissioner's written request. The owner has at least 30 days to submit the permit application;

C. an animal feedlot or a manure storage area that is new or expands after October 23, 2000, and required to apply for an SDS or NPDES permit, shall submit a permit application at least 180 days prior to the planned date of commencement of construction or expansion;

D. an animal feedlot or a manure storage area that is new or expanding after October 23, 2000, and is required to apply for a construction short-form permit, shall submit a permit application at least 90 days prior to the planned date of commencement of

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construction or expansion; and

E. a facility determined to be a pollution hazard shall submit a permit application by the submittal deadline established by the commissioner or the county feedlot pollution control officer's written request. The owner has at least 15 days to submit the permit application.

**A. For NPDES/SDS permit coverage for an animal feedlot that:**

(1) is new or expanding or will undergo a major modification, the owner must submit a permit application to the agency at least 180 days before the planned date of commencement of construction, expansion, or major modification; or

(2) has been determined to be a medium or small CAFO as determined through the case-by-case determination process under Code of Federal Regulations, title 40, section 122.23(c), the owner must submit a permit application by the submittal deadline established by the commissioner's written request. The owner has at least 30 days to submit the permit application.

**B. For SDS permit coverage for an animal feedlot or manure storage area:**

(1) that is new or expanding or will undergo a major modification, the owner must submit a permit application to the agency at least 150 days before the planned date of commencement of construction, expansion, or major modification;

(2) when the owner is proposing to construct or operate with a new technology, the owner must submit a permit application to the agency at least 180 days before the planned date of commencement of construction or operation; or

(3) that is required to complete environmental review, pursuant to chapter 4410, and the owner formally proposes, during the environmental review process, to implement mitigation measures that are more protective of the environment than the standards identified in parts 7020.2000 to 7020.2225, the owner must submit an amended permit application containing the additional site-specific mitigation measures, if requested by the commissioner. The amended permit application must be submitted to the agency or delegated county within 30 days of receiving written notification from the commissioner.

C. For a construction short-form permit, the owner must submit a permit application to the agency or delegated county at least 90 days before the planned date of commencement of construction or expansion.

**D. For an interim permit for a facility:**

(1) that has been determined to be a pollution hazard by the commissioner or a county feedlot pollution control officer, the owner must submit a permit application to the agency or delegated county by the submittal deadline established by the commissioner or the county feedlot pollution control officer's written request. The owner has at least 15 days to submit the permit application;

(2) that has been determined to be a pollution hazard by the commissioner or a county feedlot pollution control officer and is expanding to a capacity of 300 or more animal units, or increasing the manure storage area to hold the manure produced by 300 or more animal units, the owner must submit a permit application to the agency or delegated county at least 90 days before the planned date of commencement of construction, expansion, or major modification; or

(3) with a capacity of 300 or more animal units or a manure storage area that holds or is capable of holding the manure produced by 300 or more animal units, the owner must submit a permit application at least 30 days before the planned date of land application of manure or process wastewater on any of the following areas:

(a) on land where the soil phosphorus test levels exceed the levels in part 7020.2225, subpart 3, item C;

(b) on land in special protection areas with slopes exceeding six percent; or

(c) in a drinking water supply management area where the aquifer is designated vulnerable under chapter 4720.

[For text of subp 3, see M.R.]

**Subp. 4. Content of permit application.**

A. An application for a permit must contain the following:

[For text of subitems (1) to (6), see M.R.]

(7) the soil type or texture and depth to saturated soils at the facility as identified in the USDA most recent published soil survey

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Manual for the applicable county or a site-specific soils investigation. Soil surveys are incorporated by reference under part 7020.0205. If applicable, submittal of the soils investigation information required in parts 7020.2100 to 7020.2225 meets this requirement;

[For text of subitems (8) and (9), see M.R.]

(10) if applying for an SDS or NPDES permit or interim permit under part 7020.0405, subpart 1, item C, subitem (2), a manure management plan that meets the requirements under part 7020.2225, subpart 4; and

(11) if applicable, a description of all conditions that make the facility a pollution hazard and a description of the corrective and protective measures proposed to correct the pollution hazard; and

(12) if applying for an NPDES permit, a supplemental federal application form.

B. In addition to the requirements of item A, a permit application for an animal feedlot capable of holding 1,000 animal units or more or a manure storage area capable of holding the manure produced by 1,000 animal units or more must contain:

[For text of subitem (1), see M.R.]

(2) an emergency response plan that includes a description of the procedures that will:

(a) contain, minimize, and manage an unauthorized discharge;

(b) provide notification to the proper authorities; and

(c) mitigate any adverse effects of an unauthorized discharge; and

(d) provide for the disposal of carcasses resulting from a catastrophic event such as extreme weather conditions, fire, unexpected power failures, or disease.

[For text of items C to E, see M.R.]

F. A permit application for a minor modification need only contain the information requested on a form provided by the commissioner and, as applicable, the information in items C to E.

**Subp. 5. Application processing.** Permit applications must be processed according to items A to C and any requirements specified under a permit.

A. NPDES and SDS NPDES/SDS permit applications and permits must be processed according to the procedures under this part and part 7001.0020, item F, parts 7001.0010 to 7001.0210 and 7001.1000 to 7001.1150. The term of an NPDES/SDS permit is five years. NPDES/SDS permits must include all applicable requirements of Code of Federal Regulations, title 40, part 122, and all requirements necessary to comply with this chapter and chapters 7001 and 7053.

B. The agency and delegated county shall issue, reissue, revoke and reissue, or modify a permit according to part 7001.0140 and other applicable agency rules. SDS permit applications and permits must be processed according to the procedures under this part and parts 7001.0010 to 7001.0210. The term of an SDS permit is ten years. SDS permits must include all requirements necessary to comply with this chapter and chapters 7001 and 7053.

C. Construction short-form and interim permit applications must be processed in accordance with parts 7020.0505 and, 7020.0535, and chapter 7001, except that according to part 7001.0020, item F, parts 7001.0040; 7001.0050; 7001.0100, subparts 4 and 5; and 7001.0110, do not apply. County feedlot pollution control officers shall also process permit applications according to part 7020.1600, subpart 4a.

[For text of subp. 6, see M.R.]

## **7020.0535 CONSTRUCTION SHORT-FORM AND INTERIM PERMITS.**

**Subpart 1. Applicability.** This part applies to owners who apply for construction short-form and interim permits required under part 7020.0405.

**Subp. 2. [See repealer.]**

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## Subp. 3. Delegated county Procedures for denial and revocation.

A. In the case of a denial of a permit application by the county feedlot pollution control officer, Denial of construction short-form and interim permit applications must be administered according to this item:

(1) the applicant must be informed in writing by the county of the reasons for denial and must be informed of appeal procedures all rights of review afforded under chapter chapters 7000 and 7001. The applicant shall retain all rights of fundamental fairness afforded by law and the applicant may make an appeal to the agency to review the county's action. The denial by a county shall be without prejudice to the applicant's right to an appearance before the agency to request a public hearing or to file a further application after revisions are made to meet objections specified as reasons for denial. In the case of denial of a permit application by a county feedlot pollution control officer, the county is responsible for administering the review procedures unless the applicant has requested agency review; and

(2) at the time a county feedlot pollution control officer notifies the applicant of the reasons for denial, the applicant must be informed in writing of the applicant's right to make a request to the agency to review a denial of a permit application by a county feedlot pollution control officer. To be timely, the request must be filed within 30 days of receipt of notice of the denial by the county. The agency shall not review untimely requests. If the agency denies the application, the applicant may request review under chapters 7000 and 7001. The commissioner is responsible for administering the review procedures under this part and the commissioner or the agency shall make the final decision on the denial.

B. In order for a delegated county to revoke a permit, a copy of the permit together with a written justification for revocation must be submitted to the commissioner for review. The commissioner shall, after receipt of the justification for revocation from the county, review the matter within 60 days to determine compliance with applicable agency rules. The county must receive written approval of the permit revocation from the commissioner before taking action. If a revocation has been approved by the commissioner, the applicant must be informed in writing by the county of the reasons for revocation and the applicant shall retain all rights of appeal afforded under chapter 7001. Revocation without reissuance of the permit must follow the requirements under part 7001.0180. Revocation of construction short-form and interim permits must be administered according to this item:

(1) the permittee must be informed in writing of the reasons for revocation and must be informed of all rights of review afforded under chapters 7000 and 7001. In the case of revocation of a permit by a county feedlot pollution control officer, the county is responsible for administering the review procedures;

(2) before notifying the permittee of the reasons for revocation, the county must follow the procedures under part 7020.1600, subpart 4a, item F, and receive written approval from the commissioner; and

(3) revocation without reissuance must be administered according to parts 7001.0180, 7001.0190, and 7020.0505 and other applicable parts of chapter 7001.

[For text of subps 4 to 8, see M.R.]

## 7020.1600 AUTHORITIES AND REQUIREMENTS FOR DELEGATED COUNTIES.

[For text of subp 1, see M.R.]

Subp. 2. County feedlot pollution control officer requirements. A delegated county animal feedlot program shall require the county feedlot pollution control officer to:

[For text of items A to I, see M.R.]

J. submit an annual report to the commissioner by April 1 of each year, in a format requested by the commissioner, that includes the following:

[For text of subitems (1) and (2), see M.R.]

(3) permitting summary information from the previous year, including information regarding permits for facilities with fewer than 1,000 animal units that are CAFOs under Code of Federal Regulations, title 40, part 122, appendix B(b);

[For text of subitems (4) to (6), see M.R.]

[For text of item K, see M.R.]

L. forward to the commissioner all permit applications, inspection reports, and all other applicable documents for the facilities

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identified in subpart 4.4a, item B.

## Subp. 3. [Repealed, 25 SR 834]

**Subp. 3a. Resolutions and delegation agreements.** To assume responsibility for administering the delegated county feedlot program under this part, a Minnesota county board shall complete the requirements in items A to D. Counties that have received delegation authorization from the commissioner prior to October 23, 2000, may administer the delegated county feedlot program provided that the requirements of item B are completed by June 1, 2001. Delegation agreements must be reviewed and revised by the commissioner and the county annually to determine if the requirements of item B are being fulfilled and to establish new goals.

[For text of item A, see M.R.]

B. Submit to the commissioner, for review and approval, a delegation agreement that contains:

(1) inspection goals for facilities capable of holding fewer than 300 animal units or the manure produced by fewer than 300 animal units:

[For text of units (a) and (b), see M.R.]

(c) for determining compliance with discharge standards and schedules for existing open lot facilities eligible under part 7020.2003, subparts 3 to 6 subpart 3;

[For text of subitems (2) to (4), see M.R.]

(5) scheduled compliance goals, coordinated with county local water plans, for bringing feedlot operations into compliance with the applicable standards under parts 7020.2000 to 7020.2225, including the compliance dates of part 7020.2003, subparts 5, item B, and 6, item A, considering the following:

[For text of units (a) to (c), see M.R.]

[For text of subitems (6) to (8), see M.R.]

[For text of items C and D, see M.R.]

## Subp. 4. [Repealed, 25 SR 834]

**Subp. 4a. Permit application processing procedures.** The processing of permit applications by a delegated county shall be conducted according to the procedures in items A to D.

A. The county feedlot pollution control officer shall process permit applications and issue construction short-form and interim permits according to this part and part parts 7020.0505 and 7020.0535, except as directed in item B.

[For text of items B to D, see M.R.]

E. Upon issuance of a permit according to this part, a delegated county shall provide the commissioner written notice of its action. Pursuant to Minnesota Statutes, section 116.07, subdivision 7, the commissioner shall, after receipt of written notification of the issuance of a permit by a delegated county, have 15 days to review, suspend, modify, or reverse the issuance of the permit. If the agency takes no action, the action of the county is final, subject to appeal as provided in Minnesota Statutes, chapter 14. If the agency suspends, modifies, or reverses the issuance of the permit, the applicant must be informed in writing by the agency of the reasons for suspension, modification, or reversal and must be informed of review procedures under chapters 7000 and 7001. If no person requests a contested case hearing within 30 days, the agency decision with regard to the permit becomes final, subject to appeal as provided in Minnesota Statutes, chapter 14.

F. For a delegated county to revoke a permit, a copy of the permit together with a written justification for revocation must be submitted to the commissioner for review. The commissioner shall, after receipt of the justification for revocation from the county, review the matter within 60 days to determine compliance with applicable agency rules. The county must receive written approval of the permit revocation from the commissioner before taking action.

[For text of subps 5 to 7, see M.R.]

## 7020.2000 OVERVIEW.

[For text of subps 1 to 3, see M.R.]

## Subp. 4. Neighbor notification of proposed construction or expansion of 500 animal units or more.

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A. An owner of an animal feedlot or manure storage area proposing to construct or expand an animal feedlot capable of holding 500 or more animal units, or a manure storage area capable of holding the manure produced by 500 or more animal units, shall no later than ten business days after the application is submitted to the agency or delegated county not less than 20 business days before the date on which a permit is issued, provide notice to:

- (1) each resident and each owner of real property within 5,000 feet of the perimeter of the proposed feedlot by:

A:

- (a) publishing in a newspaper of general circulation within the affected area a notification containing the following information:

(1)

- i. the names of the owners or the legal name of the facility;

(2)

- ii. the location of the facility by county, township, section, and quarter section;

(3)

- iii. species of livestock and total animal units;

(4)

- iv. types of confinement buildings, lots, and areas at the animal feedlot; and

(5)

- v. the types of manure storage areas;

B:

- (b) sending a written notice to them each resident and owner of real property containing the information in item A, subitems (1) to (5), unit (a) delivered by first class mail or in person; or

C:

- (c) providing equal or greater notification required as part of obtaining a county conditional use permit, or township permitting process; and

(2) the clerk of the town in which the animal feedlot or manure storage area is proposed, by sending a copy of the notice to the clerk via first class mail.

B. The owner shall provide documentation to the commissioner or county feedlot pollution control officer that the required notifications have been completed as required under part 7020.0505, subpart 4, item D. The agency or a county board must verify that notice was provided as required under item A before issuing a permit.

Subp. 5. Government notifications of proposed construction or expansion. An owner proposing to construct or expand an animal feedlot or manure storage area shall notify the government authorities listed in items A and B. Notification must be on a form provided by the commissioner and include the information in subpart 4, item A, subitems (1) to (5), subitem (1), unit (a), subunits i to v. The owner shall provide documentation to the commissioner or county feedlot pollution control officer that the required notifications have been completed as required under part 7020.0505, subpart 4, item C.

[For text of items A and B, see M.R.]

[For text of subp. 6, see M.R.]

## **7020.2003 WATER QUALITY DISCHARGE STANDARDS.**

Subpart 1. Subsurface discharges from animal feedlots and manure storage areas. No person shall discharge animal manure, manure-contaminated runoff, or process wastewater from any animal feedlot, including CAFOs or CAFOs, or manure storage area is prohibited from flowing into a sinkhole, fractured bedrock, well, surface tile intake, mine, or quarry, or other direct conduits to groundwater.

Subp. 2. CAFOs and facilities animal feedlots with 1,000 animal units or more.

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A. An owner of an animal feedlot that is a CAFO or is capable of holding 1,000 animal units or more, or a manure storage area capable of holding the manure produced by 1,000 animal units or more, shall comply with the effluent limitation requirements of Code of Federal Regulations, title 40, part 412, and discharge only as authorized by an NPDES/SDS, SDS, or other applicable permit.

B. No discharge, as defined by Code of Federal Regulations, title 40, section 122.2, shall be allowed from a CAFO into waters of the United States, unless the animal feedlot or manure storage area has an NPDES/SDS permit authorizing such discharge.

C. No discharge shall be allowed from a CAFO or an animal feedlot capable of holding 1,000 animal units or more or a manure storage area capable of holding the manure produced by 1,000 animal units or more into waters of the state unless the animal feedlot or manure storage area has an SDS permit authorizing the discharge.

**Subp. 3. Other facilities.** An owner of an animal feedlot or a manure storage area shall comply with the effluent limitations in part 7050.0215 7053.0305 unless the animal feedlot or the manure storage area is subject to the effluent limitation requirements in subpart 2 or if the owner of the animal feedlot is subject to and meets all of the requirements in subpart 4 an effluent limitation established in a permit issued under this chapter.

Subp. 4. [See repealer.]

Subp. 5. [See repealer.]

Subp. 6. [See repealer.]

## **7020.2005 LOCATION RESTRICTIONS AND EXPANSION LIMITATIONS.**

**Subpart 1. Location restrictions.** A new animal feedlot or a manure storage area must not be constructed within a floodplain or within 300 feet of a sinkhole. A new animal feedlot or a manure storage area must not be constructed within the applicable isolation distance required by part 4725.4450 or 100 feet of a water supply well, whichever is greater. Except as provided in items A and B, a new animal feedlot or a manure storage area must not be constructed within shoreland, a floodplain, 300 feet of a sinkhole, 100 feet of a private well, or or within 1,000 feet of a community water supply well or other wells serving a public school as defined under Minnesota Statutes, section 120A.05, a private school excluding home school sites, or a licensed child care center where the well is vulnerable according to part 4720.5550, subpart 2.

A. An animal feedlot or a manure storage area located in shoreland meeting the requirements of part 7020.0300, subpart 15, item B:

(1) that has been unused for less than ten years is a pollution hazard and may resume operation after applying for and obtaining an interim a permit under part 7020.0405, subpart 1, item C, or. The requirements of part 7020.2100, subpart 1, item C, shall be followed for any liquid manure storage areas that have not been used for three years or more.

(2) that has been unused for ten years or more must not resume operation:

[For text of item B, see M.R.]

[For text of subps 2 and 3, see M.R.]

## **7020.2015 LIVESTOCK ACCESS TO WATERS RESTRICTION.**

[For text of subp 1, see M.R.]

**Subp. 2. Non-CAFO animal feedlots.** Except as required in subpart 1, by October 1, 2001, animals of a non-CAFO animal feedlot must be fenced to prohibit entry to, and must not be allowed to enter, a lake classified by the Minnesota Department of Natural Resources as a natural environment lake, recreational development lake, or a general development lake, as defined in part 6120.3000.

## **7020.2100 LIQUID MANURE STORAGE AREAS.**

### **Subpart 1. General requirements; exemption.**

A. This part describes site restrictions and requirements for design, construction, maintenance, and operation of liquid manure storage areas. An owner shall submit a permit application, as applicable, under part 7020.0405, subparts 1 and 2.

## **Proposed Rules**

**B.** Except as required in subpart 2, All liquid manure storage areas must be designed, constructed, and operated in accordance with subparts 3.2 to 7.

**C.** An owner of a liquid manure storage area that has been unused for a period of three years or more shall, prior to using the structure for storing manure or process wastewaters, have a design engineer evaluate and prepare a report on the condition of the liner and include this report with a permit application submitted according to part 7020.0405.

**D.** A liquid manure storage area that provides temporary storage or temporary processing of manure, manure-contaminated runoff or process wastewater is not subject to this part if the commissioner determines that the liquid manure storage area is a limited risk liquid manure storage area. In making this determination, the commissioner shall consider the:

(1) location of the proposed liquid manure storage area in relation to waters of the state;

(2) geologic sensitivity of the proposed location;

(3) length of time the manure, manure-contaminated runoff, or process wastewater is stored or processed in the liquid manure storage area;

(4) likelihood of a discharge to waters of the state given the design standards that are proposed, including the volume that will be stored; and

(5) type of material proposed to be stored and the material's expected pollutant concentration.

An exemption granted under this item does not prevent the agency from imposing permit conditions, if appropriate to protect human health and the environment, to govern construction and operation of the limited risk liquid manure storage area.

**Subp. 2. Site restrictions.** Except as provided in item C, the construction or expansion of a liquid manure storage area is prohibited in the areas identified under part 7020.2005 and items A and B.

[For text of item A, see M.R.]

B. In areas which are susceptible to soil collapse or sinkhole formation, the minimum separation distance to bedrock and the manure storage area liner design standards under subpart 3, item B, and prohibitions must be in accordance with subitems (1) to (3).

[For text of subitem (1), see M.R.]

(2) Animal feedlots capable of holding 300 or more and fewer than 1,000 animal units and manure storage areas capable of holding the manure produced by 300 or more and fewer than 1,000 animal units that contribute to liquid manure storage areas at the facility shall comply with the following:

[For text of units (a) and (b), see M.R.]

(c) where the separation distance to bedrock is five feet or more and less than ten feet, the manure storage area must be:

i. an aboveground manure storage area;

ii. concrete-lined with a secondary liner consisting of a synthetic liner, HDPE liner, or one two foot or greater cohesive soil liner; or

iii. composite-lined with at least a three-foot compacted cohesive soil liner under the synthetic liner.

[For text of subitem (3), see M.R.]

[For text of item C, see M.R.]

**D.** Removal of bedrock in order to comply with the applicable separation distances under item B is prohibited unless specifically authorized by the commissioner. In making the determination to allow the removal of bedrock, the commissioner shall consider:

(1) geologic sensitivity of the proposed location;

(2) type and extent of bedrock to be removed;

# Proposed Rules

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(3) length of time the manure, manure-contaminated runoff, or process wastewater is stored or processed in the liquid manure storage area;

(4) likelihood of a discharge to waters of the state given the design standards that are proposed, including the volume that will be stored;

(5) type of material proposed to be stored and the material's expected pollutant concentration; and

(6) analysis of other options that would allow for compliance with the separation distances.

Authorization to remove bedrock under this item does not prevent the agency from imposing permit conditions, if appropriate to protect human health and the environment, to govern construction and operation of the liquid manure storage area.

## Subp. 3. Design standards.

A. Except as provided in item B, a new or modified liquid manure storage area at an animal feedlot a facility capable of holding 1,000 animal units or more or the manure storage area capable of holding the manure produced by 1,000 animal units or more must be designed to provide a minimum of storage volume necessary so that the facility has at least nine months of storage capacity.

B. Liquid manure storage areas designed and operated to provide storage for only manure-contaminated runoff or process wastewater shall be designed to provide a minimum storage volume necessary to accommodate the volume generated from a 25-year, 24-hour storm event and any additional volume needed to be consistent with the proposed manure management plan application frequency.

B-C. Liquid manure storage area liners must comply with the following:

[For text of subitems (1) to (4), see M.R.]

C-D. Water supply systems, fuel lines, electrical conduit, or other equipment not solely functioning as part of the manure handling or transfer system must not be designed or constructed to penetrate the liner of a liquid manure storage area. Piping and equipment functioning as part of the manure handling or transfer system which penetrates the liner of a liquid manure storage area must be identified in the design plans and specifications. The design plans and specifications must include details on the location and purpose of the penetrations, dimensions of the penetrations, and the methods and materials used to provide a seal between each penetration and the liner.

Subp. 4. Design plans and specifications. The owner shall prepare and submit to the commissioner or county feedlot pollution control officer, for review and approval, design plans and specifications, including all assumptions and calculations, meeting the requirements of items A to N with a permit application or at least 90 days prior to the commencement of construction. Design plans and specifications, except plans and specifications for concrete-lined manure storage areas having a capacity of 20,000 gallons or less, must be prepared and signed by a design engineer.

[For text of items A and B, see M.R.]

C. The estimated storage capacity by volume and time period based on the volume of manure, manure-contaminated runoff, and process wastewaters generated, which includes all assumptions and calculations and meets the criteria of subpart 3, item A or B, if applicable or as necessary to ensure adequate storage of manure, manure-contaminated runoff, and process wastewaters consistent with the proposed manure management plan.

D. In addition to the designed storage volume in item C, allowance for the greater capacity of the following for manure storage areas open to precipitation or subject to discharge of runoff into the manure storage area: a freeboard depth of not less than one foot. Liquid manure storage areas that store animal manure and that receive precipitation runoff must provide a freeboard depth of not less than one foot or the volume generated by a 25-year, 24-hour storm event, whichever is greater.

(1) a volume capacity for precipitation and runoff without overflow for a 25-year, 24-hour or greater precipitation or rainfall event; or

(2) a freeboard depth of not less than one foot.

[For text of items E to N, see M.R.]

## Subp. 5. Construction and notification requirements.

# Proposed Rules

A. The owner shall construct the manure storage area according to the design plans and specifications submitted to the commissioner or the county feedlot pollution control officer and as approved by the commissioner or the county feedlot pollution control officer. Proposed engineering changes or modifications to the design plans and specifications, related to the liner specifications, location, depth, or separation distance to bedrock, must be submitted to the commissioner or county feedlot pollution control officer prior to for review and approval before commencement of construction related to the proposed change.

B. An owner shall notify the commissioner or county feedlot pollution control officer and the design engineer of intent to construct a minimum of three business days prior to commencement of construction. Notification must be completed by letter, telephone, or facsimile, or electronic mail and include:

[For text of subitems (1) to (5), see M.R.]

[For text of items C and D, see M.R.]

[For text of subp 6, see M.R.]

**Subp. 7. Operation and maintenance.** The owner of a manure storage area shall operate and maintain the manure storage area according to the operation and maintenance plan submitted in accordance with subpart 4, item N, plans and specifications approved by the commissioner or county feedlot pollution control officer.

## 7020.2110 UNPERMITTED OR NONCERTIFIED LIQUID MANURE STORAGE AREAS.

Subpart 1. [See repealer.]

Subp. 2. [See repealer.]

Subp. 3. [See repealer.]

**Subp. 4. Operation prohibition.** No person shall operate an unpermitted or noncertified liquid manure storage area except as provided in subpart 5.

**Subp. 5. Approval to operate.** An owner of an unpermitted or noncertified liquid manure storage area that was installed and operated prior to October 23, 2000, and that serves a facility that has the capacity for less than 1,000 animal units must obtain approval from the commissioner or a county feedlot pollution control officer to continue to operate the liquid manure storage area. To be approved, the owner must submit the information in item A or B within the time frame requested by the commissioner or a county feedlot pollution control officer. This option is not available if the commissioner or a county feedlot pollution control officer has determined that the liquid manure storage area is a pollution hazard:

A. a report prepared by an engineer licensed in Minnesota that demonstrates that the liquid manure storage area was constructed according to standard engineering principles and practices at the time of construction and remains in good operating condition at the time the report is submitted. The commissioner or county feedlot pollution control officer must approve the report; or

B. evidence that the liquid manure storage area has a capacity of 20,000 gallons or less and meets the following criteria:

(1) was constructed of man-made and noncorrosive materials;

(2) was designed and constructed with standard engineering principles and practices at the time of construction; and

(3) remains in good operating condition.

## 7020.2120 POULTRY BARN FLOORS.

[For text of subps 1 to 5, see M.R.]

**Subp. 6. Notifications of construction.** An owner shall notify the commissioner or county feedlot pollution control officer of intent to construct a minimum of three business days prior to commencement of construction and within three business days following completion of construction. Notification must be completed by letter, telephone, or facsimile, or electronic mail and include:

[For text of items A to D, see M.R.]

# Proposed Rules

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## 7020.2125 MANURE STOCKPILING SITES.

Subpart 1. **General.** This part describes requirements for permitting, design, construction, location, operation, and maintenance of short-term and permanent stockpiling sites. An owner of a stockpiling site must comply with part 7020.2005 and items A to D.

A. Manure stockpiling sites must be located and constructed such that manure-contaminated runoff from the site does not discharge to waters of the state.

B. Manure must not be placed on a stockpiling site unless a three-to-one horizontal-to-vertical ratio can be maintained or and the manure has, at least, a 15 percent solids content.

[For text of items C and D, see M.R.]

Subp. 2. **Additional requirements for short-term stockpiling.** By October 1, 2001, all An owner of a short-term stockpile site must operate and maintain the stockpile such that:

A. have the manure is removed from the site and land applied in accordance with part 7020.2225, within one year of the date when the stockpile was initially established;

B. have a vegetative cover is established on the site for at least one full growing season prior to reuse as a short-term stockpiling site except for the following:

[For text of subitems (1) and (2), see M.R.]

C. it is not be located within:

[For text of subitems (1) to (4), see M.R.]

D. maintain a minimum distance of two feet is maintained between the base of the stockpile and the seasonal high water table or saturated soils, as identified in the most recent USDA NRCS published soil survey manual for the applicable county or based on a site-specific soils investigation; and

E. be prohibited the stockpile is not placed on:

(1) on land with greater than six percent slope;  
(2) on land with slopes between two and six percent, except where clean water diversions and erosion control practices are installed; and

(3) on soils where the soil texture of the entire soil profile to a depth of five feet is coarser than a sandy loam as identified in the most recent USDA NRCS published soil survey Manual or based on a site-specific soils investigation.

[For text of subp. 3, see M.R.]

Subp. 4. **Additional requirements for permanent stockpile sites.** By October 1, 2001, all An owner of a permanent stockpile site must comply with this part. The owner shall also install a liquid manure storage area according to part 7020.2100 to collect and contain manure-contaminated runoff, if necessary to comply with the requirements of part 7020.2003. An owner shall submit a permit application, as applicable, under part 7020.0405, subpart 1.

[For text of items A to D, see M.R.]

E. An owner shall notify the commissioner or county feedlot pollution control officer of intent to construct a minimum of three days prior to commencement of construction and within three days following completion of construction. Notification must be completed by letter, telephone, or facsimile, or electronic mail and include:

[For text of subitems (1) to (4), see M.R.]

F. The owner shall comply with subpart 2, item D, ensure that the liner is installed and maintained above the seasonal high water table or saturated soils, as identified in the most recent soil survey for the applicable county or based on a site-specific soils investigation. Soil surveys are incorporated by reference under part 7020.0205.

## 7020.2225 LAND APPLICATION OF MANURE.

[For text of subps 1 to 3, see M.R.]

## **Proposed Rules**

**Subp. 4. Manure management plan requirements.** Item A indicates who must prepare a manure management plan and when the plan must be prepared. Item B lists when manure management plans must be submitted to the agency or delegated county for review. Item C describes when the manure management plan must be reviewed and revised. Item D lists the required elements of a manure management plan. Item E describes exceptions to manure management plans when manure ownership is transferred.

[For text of item A, see M.R.]

**B.** A manure management plan that complies with the requirements of item D must be submitted to the commissioner or delegated county when any one of the following conditions applies:

(1) when an owner submits a permit application to the commissioner for an NPDES, SDS, or ~~an~~ interim permit under part 7020.0405, subpart 1, item C, subitem ~~(2)~~ (3); or

(2) the manure management plan is requested by the commissioner or county feedlot pollution control officer.

[For text of items C to E, see M.R.]

[For text of subps 5 to 8, see M.R.]

**RENUMBERING INSTRUCTION.** The range reference "7020.0100 to 7020.1900" shall be changed to "7020.0100 to 7020.1800" in *Minnesota Rules*, parts 6120.3300, 7002.0253, 7020.1500, and 7020.1800.

**REPEALER.** *Minnesota Rules*, parts 7020.0300, subpart 5a; 7020.0350, subpart 3; 7020.0355, subparts 3 and 4; 7020.0535, subpart 2; 7020.1900; 7020.2003, subparts 4, 5, and 6; and 7020.2110, subparts 1, 2, and 3, are repealed.

## **Commissioners' Orders**

Various agency commissioners are authorized to issue "commissioner's orders" on specified activities governed by their agency's enabling laws. See the *Minnesota Statutes* governing each agency to determine the specific applicable statutes. Commissioners' orders are approved by assistant attorneys general as to form and execution and published in the *State Register*. These commissioners' orders are compiled in the year-end subject matter index for each volume of the *State Register*.

### **Minnesota Department of Natural Resources (DNR)**

#### **Commissioner's Order: Designation of Mountain Bike Trail in the Richard J. Dorer Memorial Hardwood Forest**

**WHEREAS**, the Department of Natural Resources proposes to develop an approximately 9.6 mile-long trail for mountain biking in the Bronx Management Unit of the Richard J. Dorer Memorial Hardwood Forest in Winona County, Minnesota.

**WHEREAS**, *Minnesota Rules*, part 6100.1355, subpart 3, stipulates that within the Richard J. Dorer Memorial Hardwood Forest bicycles may be used only on designated bicycle trails or where motor vehicles are allowed.

**WHEREAS**, *Minnesota Statutes*, section 89.19, subdivision 2, requires that all designations of forest trails shall be by written order published in the *State Register*, and requires sixty-day public notice and a public meeting prior to designation.

**WHEREAS**, the Department of Natural Resources has satisfied all procedural requirements for trail designation, including a public meeting and sixty-day notice of the proposed designation and public meeting in the *State Register*, in the legal newspaper serving Winona County, and in a statewide news release.

**NOW, THEREFORE, IT IS HEREBY ORDERED**, pursuant to authority vested in me by law, including but not limited to *Minnesota Statutes*, section 89.19, subdivision 2, that the approximately 9.6 mile trail, to be constructed in the Bronx Unit of the Richard J. Dorer Memorial Hardwood Forest, and depicted in Exhibit A, attached hereto and incorporated herein, is designated for mountain biking.

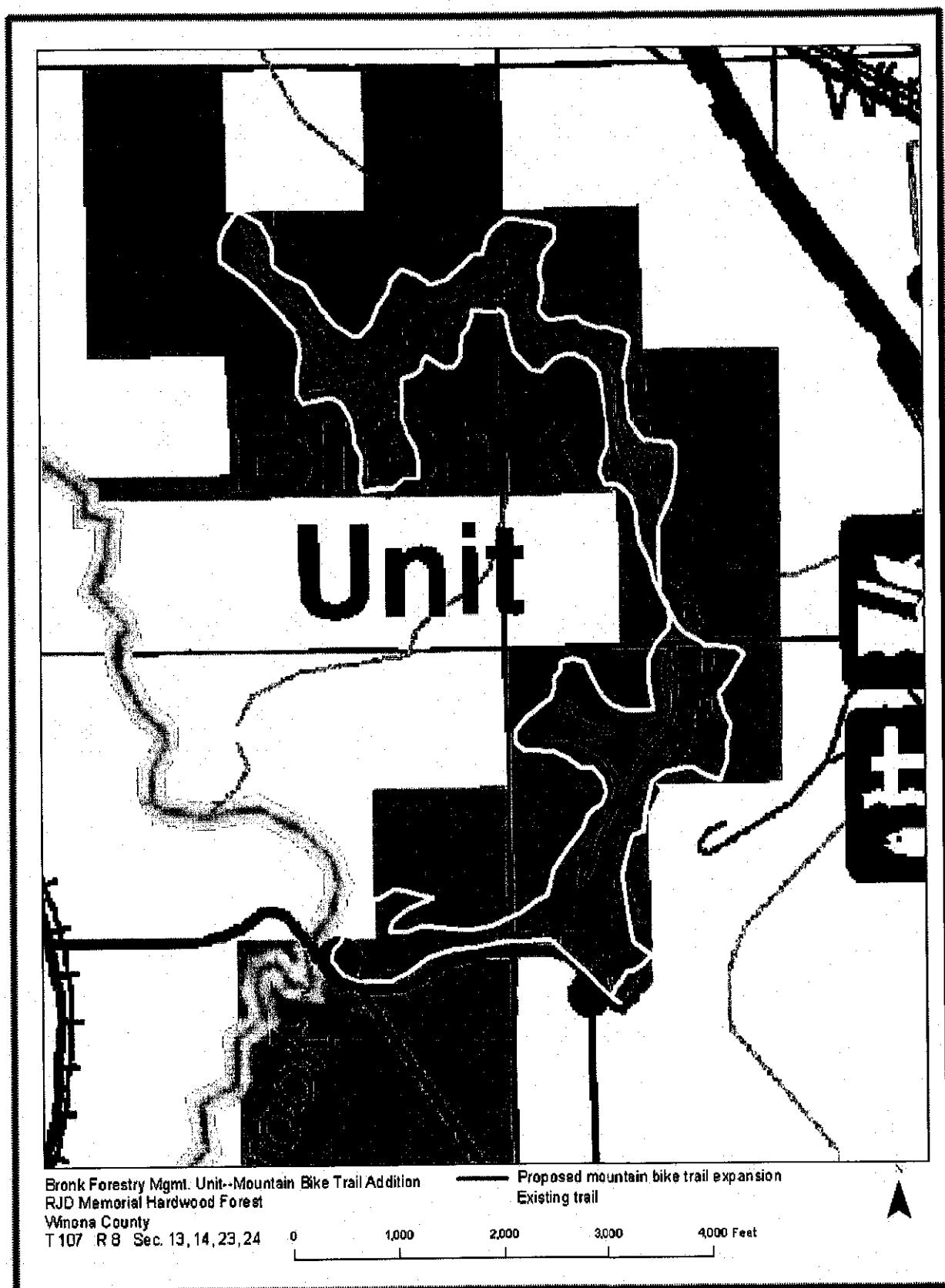
This order is effective upon publication in the *State Register*.

**Date signed:** July 13, 2013

**Approved by:** Tom Landwehr, Commissioner  
Minnesota Department of Natural Resources

**Exhibit A (next page):** Mountain Bike Trail Designation – R.J. Dorer Memorial Hardwood Forest, Bronx Management Unit, Winona County, Minnesota

## Commissioner's Orders



## Official Notices

Pursuant to *Minnesota Statutes* §§ 14.101, an agency must first solicit comments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, and within 60 days of the effective date of any new statutory grant of required rulemaking.

The *State Register* also publishes other official notices of state agencies and non-state agencies, including notices of meetings and matters of public interest.

### Minnesota Agricultural and Economic Development Board Notice of Public Hearing on the Proposed Issuance of Bonds by the Colorado Health Facilities Authority to Finance and Refinance Projects of the Evangelical Lutheran Good Samaritan Society, a North Dakota Nonprofit Corporation, Located in the State of Minnesota

**NOTICE IS HEREBY GIVEN** that the Minnesota Agricultural and Economic Development Board (the "Ag Board") or its designee representative, shall meet on August 7th, 2013 at 9:00 a.m., at 1st National Bank Building, 332 Minnesota Street, Suite E200, Saint Paul, Minnesota, for the purpose of conducting a public hearing on a proposed issue of one or more series of bonds by the Colorado Health Facilities Authority (the "CoHFA Bonds") to finance or refinance projects on behalf of The Evangelical Lutheran Good Samaritan Society, a North Dakota nonprofit corporation (the "Applicant"). Under this plan of finance, the CoHFA Bonds will be issued in an aggregate principal amount not to exceed \$115,000,000. CoHFA Bond proceeds in an amount not to exceed \$15,650,000 will be used to finance or refinance the following projects located in Minnesota (the "Mn Projects"), in the following approximate amounts:

- (i) \$200,000 to refinance bonds issued in 2004 for the acquisition, construction, improvement and equipping of a 53 bed long-term care facility at the Good Samaritan Center – Arlington located at 411 7th Avenue NW in Arlington, Minnesota;
- (ii) \$3,000,000 to refinance bonds issued in 2004 for the acquisition, construction, improvement and equipping of a 44 bed congregate care addition at the Good Samaritan Village - Bethany located at 804 Wright Street in Brainerd, Minnesota;
- (iii) \$1,700,000 to refinance bonds issued in 2004 for the acquisition, construction, improvement and equipping of a 30 bed congregate care unit and the acquisition, construction, improvement and equipping of a 16 bed assisted living facility, both in connection with the Good Samaritan Village – Woodland located at 100 Buffalo Lane East in Brainerd, Minnesota;
- (iv) \$2,500,000 to refinance bonds issued in 2004 for the acquisition, construction, improvement and equipping of a 117 bed nursing care center, 23 bed sub-acute care center congregate care and \$1,200,000 of 2013 Bonds for the construction of a roof and other upgrades, both in connection with the Good Samaritan Center - Maplewood located at 550 Roselawn Avenue E. in St. Paul, Minnesota;
- (v) \$1,950,000 to refinance bonds issued in 2004 for the acquisition, construction, improvement and equipping of 36 residential units and 105 bed long term care facility and \$950,000 of 2013 Bonds for the acquisition and construction of a boiler and other upgrades, both in connection with the Good Samaritan Center – Whispering Pines located at 518 Jefferson Avenue in Pine River, Minnesota;
- (vi) \$2,700,000 to refinance bonds issued in 2004 for the acquisition, construction, improvement and equipping of a dining room and \$250,000 of 2013 Bonds for the construction of elevators, both in connection with the Good Samaritan Center – Waconia located at 333 West Fifth Street in Waconia, Minnesota; and
- (vii) \$1,200,000 of 2013 Bonds for the acquisition and construction of a boiler and other upgrades at the Good Samaritan Center – Marshall Manor located at 410 South McKinley Street in Warren, Minnesota.

The Applicant is the initial owner of the Mn Projects, and the Mn Projects will be owned, operated and managed by the Applicant. It is contemplated that the Mn Projects will be used, or will continue to be used, as nursing homes, senior housing, assisted living or related facilities. The CoHFA Bonds and the interest thereon shall be payable solely from the revenue pledged to the payment thereof, and no holders of any such bonds shall ever have the right to compel any exercise of the taxing powers of the State of Minnesota or any political subdivision thereof to pay the CoHFA Bonds or the interest thereon nor to enforce payment against any property of said State or said political subdivision.

This Notice of Public Hearing is being given pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended.

## Official Notices

A copy of the Ag Board's proposed resolution regarding the Ag Board's "approval", as such term is used in IRC §147(f) and for the sole purpose of complying with the requirements therein, of the CoHFA Bonds is available for public inspection at the offices of the Ag Board at 1st National Bank Building, 332 Minnesota Street, Suite E200, Saint Paul, Minnesota from the date of this notice to the date of the public hearing hereinabove identified, during normal business hours.

All persons interested may appear and be heard at the time and place set forth above, or may file written comments with the Executive Director prior to the date of the hearing set forth above.

Dated: 22 July 2013

BY ORDER OF THE MEMBERS OF THE  
MINNESOTA AGRICULTURAL AND ECONOMIC  
DEVELOPMENT BOARD  
Robin Sternberg, Executive Director

### Minnesota Comprehensive Health Association (MCHA) Notice of Finance Committee Meeting 30 July 2013

**NOTICE IS HEREBY GIVEN** that a meeting of the Minnesota Comprehensive Health Association's (MCHA) Finance Committee will be held at 1:30 p.m. on Tuesday, July 30, 2013.

The meeting will be initiated at the MCHA Executive Office, 5775 Wayzata Blvd., Suite 910, St. Louis Park, MN; it should be noted that some or all attendees will participate telephonically.

If anyone wishes to attend or participate in this meeting please contact MCHA's Executive Office (952-593-9609) for additional information.

### Minnesota Environmental Quality Board (EQB) REQUEST FOR COMMENTS on Possible Amendments to Rules Governing the Environmental Review Program, *Minnesota Rules Chapter, 4410; Revisor's ID Number R-04157*

**Subject of Rules.** The Minnesota Environmental Quality Board (EQB or Board) is considering revising the existing rules governing the Environmental Review Program. These are the rules under which Environmental Assessment Worksheets (EAWs), Environmental Impact Statements (EISs), and other environmental review documents are prepared. This possible rulemaking may include the following categories or subparts:

- 1) Mandatory categories for environmental assessment worksheets located under part 4410.4300:
  - a. subp. 2. Nuclear fuels and nuclear waste;
  - b. subp. 3. Electric generating facilities;
  - c. subp. 5. Fuel conversion facilities;
  - d. subp. 7. Pipelines;
  - e. subp. 8. Transfer facilities;
  - f. subp. 14. Industrial, commercial, and institutional facilities;
  - g. subp. 16. Hazardous waste;
  - h. subp. 17. Solid waste;
  - i. subp. 18. Wastewater systems;
  - j. subp. 19. Residential development;
  - k. subp. 22. Highway projects;
  - l. subp. 28, item B. Forestry;

## Official Notices

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- m. subp. 30. Natural areas;
  - n. subp. 32. Mixed residential and industrial-commercial projects;
  - o. subp. 36. Land use conversion, including golf courses;
  - p. subp. 36a. Land conversions in shoreland; and
  - q. subp. 37, items B and C. Recreational trails.
- 2) Mandatory categories for environmental impact statements located under part 4410.4400:
- a. subp. 2. Nuclear fuels and nuclear waste;
  - b. subp. 3. Electric generating facilities;
  - c. subp. 11. Industrial, commercial, and institutional facilities;
  - d. subp. 13. Solid waste;
  - e. subp. 14. Residential development;
  - f. subp. 21. Mixed residential and commercial-industrial projects; and
  - g. subp. 24. Pipelines.

This rulemaking may also include revisions that may come up as a result of public comments and further review of Chapter 4410. This rulemaking can be referred to as the "Mandatory Categories Rulemaking" since the Board is currently pursuing two separate rulemakings for Chapter 4410.

**Plain English Summary.** This Request for Comments is the Board's legal notice of its intent to begin rulemaking. This is the first of several opportunities for public comment and input on this rulemaking. At this stage, we do not have a draft rule; we want your feedback to inform us about the ideas described under the **Subject of Rules** section above. If you have other ideas related to this rulemaking that we need to consider, please submit them in writing. For example, we recognize that costs to regulated parties can be a concern with rulemaking; if you have cost information or data related to this rulemaking that you wish to share with us to inform our decisions, please submit that information. Submitting your ideas and information to us at this early stage in rulemaking allows us more time to address issues that may come up, and helps to ensure informed decision-making on our part.

**Where to Get More Information.** If you are interested in being notified when a draft of the rule revisions is available and of other activities related to this rulemaking, please register for GovDelivery at: <http://www.eqb.state.mn.us/>. If you are unable to receive electronic notices, please contact Beth Tegdesch at (651) 757-2100.

**Persons Affected.** The proposed amendments may affect project developers, local units of government and state agencies, private citizens and citizens groups, and environmental groups. However, changes to the rules governing the Environmental Review Program may directly or indirectly affect all citizens of the state.

**Statutory Authority.** *Minnesota Statutes*, section 116D.04, subd. 2a(a) and 5a and *Minnesota Statutes* section 116D.045, establish the Environmental Review Program and authorize the EQB to adopt rules governing its operation.

**Public Comment.** Interested persons or groups may submit comments or information on these possible rules in writing or orally until 4:30 p.m. on August 23, 2013. The EQB will not publish a notice of intent to adopt the rules until more than 60 days have elapsed from the date of this request for comments. The Board does not plan to appoint an advisory committee to comment on the possible rules. Interested and affected parties are invited to submit information relative to the cumulative effect of the rule with other federal and state regulations.

**Rules Drafts.** The Board has not yet drafted the possible rules amendments.

**Agency Contact Person.** Written or oral comments, questions, requests to receive a draft of the rules when it has been prepared, and requests for more information on these possible rules, should be directed to:

Kate Frantz  
Environmental Quality Board  
520 Lafayette Road North  
St. Paul, MN 55155  
**Phone:** (651) 757-2370  
**Fax:** (651) 297-2343  
**E-mail:** [kate.frantz@state.mn.us](mailto:kate.frantz@state.mn.us)

# Official Notices

TTY users may call the EQB at 1-800-627-3529

**Alternative Format.** Upon request, this information can be made available in an alternative format, such as large print, braille, or audio. To make such a request, please contact the agency contact person at the address or telephone number listed above.

**Note:** Comments received in response to this notice will not necessarily be included in the formal rulemaking record submitted to the administrative law judge if and when a proceeding to adopt rules is started. The agency is required to submit to the judge only those written comments received in response to the rules after they are proposed. If you submitted comments during the development of the rules and you want to ensure that the Administrative Law Judge reviews the comments, you should resubmit the comments after the rules are formally proposed.

Dated: 17 July 2013

David Fredrickson, Chair  
Environmental Quality Board

## Minnesota Environmental Quality Board (EQB) REQUEST FOR COMMENTS on Possible Amendments to Rules Governing the Environmental Review Program, Minnesota Rules Chapter, 4410; Revisor's ID Number R-04196

**Subject of Rules.** The Minnesota Environmental Quality Board (EQB or Board) is considering revising the existing rules governing the Environmental Review Program. These are the rules under which Environmental Assessment Worksheets (EAWs), Environmental Impact Statements (EISs), and other environmental review documents are prepared. This possible rulemaking shall amend “*rules for environmental review, adopted under Minnesota Statutes, chapter 116D, for silica sand mining and processing to take into account the increased activity in the state and concerns over the size of specific operations. The EQB shall consider whether the requirements of Minnesota Statutes, section 116C.991, should remain part of the environmental review requirements for silica sand and whether the requirements should be different for different geographic areas of the state.*” *Laws 2013, chapter 114, article 4, section 105*

This rulemaking may also include revisions that may come up as a result of public comments. This rulemaking can be referred to as the “Silica Sand Rulemaking” since the Board is currently pursuing two separate rulemakings for Chapter 4410.

**Plain English Summary.** This Request for Comments is the Board’s legal notice of its intent to begin rulemaking. This is the first of several opportunities for public comment and input on this rulemaking. At this stage, we do not have a draft rule; we want your feedback to inform us about the ideas described under the **Subject of Rules** section above. If you have other ideas related to this rulemaking that we need to consider, please submit them in writing. For example, we recognize that costs to regulated parties can be a concern with rulemaking; if you have cost information or data related to this rulemaking that you wish to share with us to inform our decisions, please submit that information. Submitting your ideas and information to us at this early stage in rulemaking allows us more time to address issues that may come up, and helps to ensure informed decision-making on our part.

**Where to Get More Information.** If you are interested in being notified when a draft of the rule revisions is available and of other activities related to this rulemaking, please register for GovDelivery at: <http://www.eqb.state.mn.us/>. If you are unable to receive electronic notices, please contact Beth Tegdesch at (761) 757-2100.

**Persons Affected.** The proposed amendments may affect project developers, local units of government and state agencies, private citizens and citizens groups, and environmental groups. However, changes to the rules governing the Environmental Review Program may directly or indirectly affect all citizens of the state.

**Statutory Authority.** *Minnesota Statutes*, section 116D.04, subd. 2a(a) and 5a and *Minnesota Statutes*, section 116D.045, establish the Environmental Review Program and authorize the EQB to adopt rules governing its operation. *Laws 2013, chapter 114, article 4, section 105* provide that EQB amend its rules for environmental review with respect to silica sand mining and processing.

**Public Comment.** Interested persons or groups may submit comments or information on these possible rules in writing or orally until 4:30 p.m. on August 23, 2013. The EQB will not publish a notice of intent to adopt the rules until more than 60 days have elapsed from

## Official Notices

the date of this request for comments. The Board does not plan to appoint an advisory committee to comment on the possible rules. Interested and affected parties are invited to submit information relative to the cumulative effect of the rule with other federal and state regulations.

**Rules Drafts.** The Board has not yet drafted the possible rules amendments.

**Agency Contact Person.** Written or oral comments, questions, requests to receive a draft of the rules when it has been prepared, and requests for more information on these possible rules should be directed to:

Jeff Smyser  
Environmental Quality Board  
520 Lafayette Road North  
St. Paul, MN 55155  
**Phone:** (651) 757-2279  
**Fax:** (651) 297-2343  
**E-mail:** *Jeff.Smyser@state.mn.us*  
TTY users may call the EQB at 1-800-627-3529

**Alternative Format.** Upon request, this information can be made available in an alternative format, such as large print, braille, or audio. To make such a request, please contact the agency contact person at the address or telephone number listed above.

**Note:** Comments received in response to this notice will not necessarily be included in the formal rulemaking record submitted to the administrative law judge if and when a proceeding to adopt rules is started. The agency is required to submit to the judge only those written comments received in response to the rules after they are proposed. If you submitted comments during the development of the rules and you want to ensure that the Administrative Law Judge reviews the comments, you should resubmit the comments after the rules are formally proposed.

Dated: 17 July 2013

David Fredrickson, Chair  
Environmental Quality Board

## Minnesota Department of Human Services (DHS) Office of Economic Opportunity Minnesota's Draft Community Services Block Grant FY2014-2015 Plan Available for Public Inspection and Comment, Public Hearing 8/20/13

**NOTICE IS HEREBY GIVEN** that a public hearing will be held on August 20, 2013 by the Department of Human Services/Office of Economic Opportunity in conjunction with the development and submittal of Minnesota's Community Services Block Grant FY 2014-2015 Plan. The hearing will be held on August 20, 2013 at 10 a.m. at the MCIT Building, 100 Empire Drive, St. Paul, MN 55103 (for directions, see <http://www.mcit.org/directions.aspx>). The purpose of this hearing is to provide the public an opportunity to comment on the proposed use and distribution of funds to be provided through the allotment to the State of Minnesota under the Community Services Block Grant Act. These funds are used by federally defined eligible entities including Community Action Agencies, Tribal Governments and the Department of Human Services to combat the causes and effects of poverty. Draft plans will be distributed at the hearing or can be accessed for public inspection and comment by contacting Barb Alt at *barb.alt@state.mn.us* or (651) 431-3884.

Comments to the plan should be submitted no later than August 20, 2013 to:

Barb Alt  
Department of Human Services  
P.O. Box 64962  
St. Paul, MN 55164-0962  
**E-mail:** *barb.alt@state.mn.us*

## **Official Notices**

### **Minnesota Department of Human Services (DHS)**

#### **Human Services Performance Council**

#### **Department of Human Services Seeks Applicants for Human Services Performance Council**

Qualified volunteer candidates are being sought for the **Human Services Performance Council** authorized by the legislature in 2013. The Council's purpose is to advise the Commissioner of the Department of Human Services on the implementation and operation of the human services performance management system, including county performance management and departmental procedures, and to provide annual reviews and reports to the legislature related to human services performance management. – *Minnesota Statutes*, section 402A.15 (2013)

The Council will consist of 15 members, with three each representing 1) the Association of Minnesota Counties (AMC); 2) the Minnesota Association of County Social Service Administrators (MACSSA); 3) the Department of Human Services (DHS); 4) Tribes and communities of color; and 5) service providers and advocates for persons receiving human services. DHS will be appointing members from tribes and communities of color, service providers and advocates, and DHS. AMC and MACSSA will be recruiting and appointing their members separately.

The Human Services Performance Council was authorized by the Legislature as a result of recommendations by the Steering Committee on Performance and Outcome Reforms formed as a part of the 2009 State-County Results, Accountability and Service Delivery Reform Act.

More information on the County Performance Management System can be found at:  
[www.dhs.state.mn.us/main/dhs16\\_177556](http://www.dhs.state.mn.us/main/dhs16_177556).

Council applications may be submitted through August 18<sup>th</sup>, 2013. Please forward this information to others who may have an interest in the work of the Human Services Performance Council. Thank you.

### **Minnesota Department of Human Services (DHS)**

#### **Provider and Enrollment Division**

#### **Notice of Availability of the Minnesota Health Care Programs Provider Participation List [*Minnesota Rules*, Parts 9505.5200 to 9505.5240, also known as DHS Rule 101-Provider Compliance List]**

**NOTICE IS HEREBY GIVEN** that the Minnesota Health Care Programs provider participation list for July 2013 is now available.

The provider participation list is a compilation of health care providers who are in compliance with DHS Rule 101 (*Minnesota Rules*, Parts 9505.5200 to 9505.5240). If a provider name is not on the list, the Department considers the provider non-compliant. The list of providers is separated by provider type, each section is in alphabetical order by provider name, and there is no additional information on the list other than the provider's name. This list is distributed on a quarterly basis to the Department of Employee Relations, the Department of Labor and Industry, and the Department of Commerce.

To obtain the list, contact Julie Hervas, Rule 101 Specialist, at (651) 431-2704 or toll-free at 1-800-366-5411. You may fax your request to (651) 431-7462 or mail to the Department of Human Services, PO Box 64987, St. Paul, MN 55164-0987.

Lucinda Jesson, Commissioner  
Minnesota Department of Human Services

## **Official Notices**

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### **Metropolitan Airports Commission (MAC)**

#### **Notice of Public Hearing on Draft Ordinance: Reliever Airports Minimum Standards for General Aviation Commercial Aeronautical Operations**

**NOTICE IS HEREBY GIVEN** that on the 12<sup>th</sup> day of August, 2013, at 7:00 p.m. in the Lindbergh Conference Room at the General Office Building of the Metropolitan Airports Commission located at 6040 28<sup>th</sup> Avenue South, Minneapolis, MN 55450, the Metropolitan Airports Commission will hold a public hearing to receive verbal and written testimony relative to the proposed amendment to Ordinance No. 78.

#### **RELIEVER AIRPORTS MINIMUM STANDARDS FOR GENERAL AVIATION COMMERCIAL AERONAUTICAL OPERATIONS**

An ordinance of the Metropolitan Airports Commission amending and specifying Minimum Standards, by amending and restating Ordinance No. 78, for General Aviation Commercial Aeronautical Operations and Flying Clubs at the Commission's Reliever Airports.

Copies of the draft ordinance and supporting documentation may be obtained on or anytime after July 22 at:  
<http://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Other-MAC-Meetings.aspx>

or by contacting Kelly Ubel at (612) 467-0522.

Written comments will be accepted at the public hearing or until 4:00 p.m. on August 16, 2013 at the following address:

Attn: Reliever Airports Department  
Metropolitan Airports Commission  
General Office  
6040 - 28<sup>th</sup> Avenue South  
Minneapolis, MN 55450-2799  
(612) 467-0522

Dated this 15th day of July, 2013.

Mr. Jeffrey W. Hamiel, Executive Director  
Metropolitan Airports Commission  
6040 - 28th Avenue South  
Minneapolis, MN 55450

### **Minnesota Department of Natural Resources (DNR)**

#### **Division of Lands and Minerals**

#### **Request for Comments on Possible Rules Governing Reclamation of Silica Sand Mines, Revisor's ID Number R-04198**

**Subject of Rules.** The Minnesota Department of Natural Resources requests comments on its possible rules governing reclamation of silica sand mines. The Department is considering rules that would control possible adverse environmental effects of silica sand mining, preserve natural resources, and encourage planning of future land utilization. The rules may address other reclamation issues that come up during the rulemaking process.

**Persons Affected.** The rules would likely affect entities that are proposing to mine or are mining silica sand, local units of government that regulate silica sand mining, and citizens and companies located in the proximity of proposed or existing silica sand mining operations.

**Statutory Authority.** *Laws of Minnesota 2013*, Chapter 114, Article 4, Section 105 (b) requires the Department to adopt rules for reclamation of silica sand mines.

**Public Comment.** Interested persons or groups may submit comments or information on these possible rules in writing until further notice.  
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notice is published in the *State Register* that the Department intends to adopt or to withdraw the rules. The Department will not publish a notice of intent to adopt the rules until more than 60 days have elapsed from the date of this request for comments. The Department does not plan to appoint an advisory committee to comment on the possible rules. However, the Department may consult with the silica sand technical assistance team assembled by the Environmental Quality Board pursuant to *Laws of Minnesota 2013*, Chapter 114, Article 4, Section 91.

**Rules Drafts.** The Department has not yet drafted the possible rules.

**Agency Contact Person.** Written comments, questions, requests to receive a draft of the rules when it has been prepared, and requests for more information on these possible rules should be directed to:

Heather Arends  
Department of Natural Resources  
500 Lafayette Road  
St. Paul, MN 55155-4045  
**Phone:** (651) 259-5376  
**E-mail:** [heather.arends@state.mn.us](mailto:heather.arends@state.mn.us).

**Alternative Format.** Upon request, this information can be made available in an alternative format, such as large print, braille, or audio. To make such a request, please contact the agency contact person at the address or telephone number listed above.

**NOTE:** Comments received in response to this notice will not necessarily be included in the formal rulemaking record submitted to the administrative law judge if and when a proceeding to adopt rules is started. The agency is required to submit to the judge only those written comments received in response to the rules after they are proposed. If you submitted comments during the development of the rules and you want to ensure that the Administrative Law Judge reviews the comments, you should resubmit the comments after the rules are formally proposed.

Dated: July 13, 2013

Tom Landwehr, Commissioner  
Minnesota Department of Natural Resources

### Minnesota Pollution Control Agency (MPCA) Request for Comments on Planned Amendments to Rules Pertaining to the Control of Particulate Emissions and Other Pollutants from Silica Sand Projects

**NOTICE IS HEREBY GIVEN** that the Minnesota Pollution Control Agency (Agency) is requesting comments on plans to amend rules relating to silica sand projects as directed by the 2013 Legislature. The Agency may amend Chapters 7011 (standards of performance for specific types of facilities), 7001 (water permitting), 7007 (air permitting), 7009 (air standards), 7017 (air testing), 7050 (water standards), or other related and affected chapters.

**Subject of Rules:** The Agency requests comments on plans to amend its rules or establish new rules pertaining to the control of particulate emissions and other pollutants from silica sand projects that may affect the state's air or water resources.

As will be discussed in this rulemaking, "silica sand" is well-rounded, sand-sized grains of quartz that is commercially valuable for use in the hydraulic fracturing of shale to obtain oil and natural gas. Silica sand does not include common rock, stone, aggregate, gravel, sand with a low quartz level, or silica compounds recovered as a by-product of metallic mining.

"Silica sand project" means the excavation, mining and processing of silica sand; the washing, cleaning, screening, crushing, filtering, drying, sorting, stockpiling and storing of silica sand, either at the mining site or at any other site; the hauling and transporting of silica sand; or a facility for transporting silica sand to destinations by rail, barge, truck or other means of transportation.

The Legislature has directed the Agency to adopt rules pertaining to particulate emissions from silica sand projects. The Agency will also consider adopting rules to control other potential pollutants from silica sand projects, such as those that might contribute to water

# Official Notices

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pollution. This *Request for Comments* is the Agency's initial notice of its intent to begin rulemaking. This is only the first of several opportunities for public comment and input on this rulemaking.

**Where to Get More Information:** If you are interested in being notified when a draft of the rules is available, or of other activities related to this rulemaking, please register for GovDelivery at: <https://public.govdelivery.com/accounts/MNPCA/subscriber/new>. The "Pollution from Silica Sand Projects Rules" subscriber link is located under the Public Notices and Rulemaking topic. This *Request for Comments* and future notices will be published on the Agency's Public Notice website:

<http://www.pca.state.mn.us/index.php/public-notices/list.html>.

The Agency will establish a page on its website <http://www.pca.state.mn.us/> for this rulemaking where additional information will be posted as it becomes available.

**Persons Affected:** The Agency's planned rulemaking potentially affects any owner or operator of an existing or proposed silica sand project and those persons potentially impacted by particle emissions or water discharges from silica sand projects.

**Statutory Authority:** *Laws of Minnesota 2013*, Chapter 114, Article 4, Section 105, (a) directs the Agency as follows: "The commissioner of the Pollution Control Agency shall adopt rules pertaining to the control of particulate emissions from silica sand projects. The rulemaking is exempt from *Minnesota Statutes*, § 14.125." The exemption from § 14.125 is that the Agency is not limited by an 18-month time limit to adopt, amend, or repeal rules following legislative direction. Further, the Agency plans to use existing general authorities under § 115.03, subds. 1(e) and (g); 5, and 5c; and § 116.07, subd. 4(b) to maintain rules that protect state waters.

**Rules Draft:** The Agency has not yet drafted the rule amendments. Persons interested in being notified when a draft of the rules is available and of other activities relating to this (or other Agency rulemakings) are encouraged to register at:

<https://public.govdelivery.com/accounts/MNPCA/subscriber/new>.

**Public Comment:** The Agency presently has no proposed rules on which to comment, but encourages interested parties to submit written comments or information regarding the Agency's plans to amend rules on this subject until 4:30 p.m. on September 30, 2013. The Agency cannot publish a *Notice of Intent to Adopt Rules* until at least 60-days from the date of this *Request for Comments*. Comments or information should be submitted to the Agency contact at the address below.

**Note:** Written comments received in response to this notice will not necessarily be included in the formal rulemaking record submitted to the administrative law judge if and when a proceeding to adopt rules is started. The Agency is required to submit to the judge only those written comments received in response to the rules proposed in a *Notice of Intent to Adopt Rules*. If you submit written comments in response to this notice or during the development of the rules, and you want to ensure that the administrative law judge reviews those comments, you should resubmit those same comments in accordance with the instructions found in the *Notice of Intent to Adopt Rules*.

The Agency does not anticipate that the rule amendments will require a local government to adopt or amend an ordinance or other regulation under *Minnesota Statutes*, § 14.128. Local governments are welcome to submit written information to the contrary if this belief is incorrect.

**Agency Contact Person:** Written comments, requests to receive a draft of the rules when it is available, and requests for more information on these planned rule amendments should be directed to:

Nathan Brooks Cooley  
Minnesota Pollution Control Agency  
520 Lafayette Road North  
Saint Paul MN 55155-4194  
**Telephone:** (651) 757-2290  
**Toll-free:** 1-800-657-3864  
**TTY:** (651) 282-5332  
**E-mail:** [nathan.cooley@state.mn.us](mailto:nathan.cooley@state.mn.us)

**Alternative Format:** Upon request, this information can be made available in an alternative format, such as large print, Braille or audio. To make such a request, please contact the rule process contact person at the telephone number or address listed above.

Dated: 10 July 2013

John Linc Stine, Commissioner  
Minnesota Pollution Control Agency

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## Official Notices

### MNsure

#### Request for Comments on Proposed Rules for MNsure Appeals

**NOTICE IS HEREBY GIVEN** that the Commissioner of Minnesota Management and Budget (MMB) exercising the authorities and responsibilities under the authority of *Laws of Minnesota 2013*, Chapter 9, Section 14, is issuing notice of proposed rules on the policies and procedures available for appealing eligibility determinations made by MNsure.

Full text of these proposed rules are available on the MNsure website at: <http://mnsure.org/hix/get-involved/public-feedback.jsp>.

##### Request for Comments

MNsure is soliciting comments on these proposed rules and requests that all comments are organized by and reference the subpart of the proposed rule to which they reference.

##### Comment Date

All comments on these proposed rules must be received no later than 11:59 P.M. Central Standard Time on Monday, August 12, 2013. Comments are subject to review by the Commissioner of MMB and may be used to revise the final publication of these rules.

##### How to Send Comments

Mailed comments can be sent to:

Attention: Jessica M. Kennedy  
MNsure  
81 Seventh Street East, suite 300  
Saint Paul MN 55101-2211

E-mailed comments can be sent to: [PublicComments.HIX@state.mn.us](mailto:PublicComments.HIX@state.mn.us) with "MNsure Appeals Proposed Rules" in the subject line of the email.

### Minnesota Department of Transportation (Mn/DOT) Engineering Services Division, Office of Construction and Innovative Contracting Notices of Suspension and Debarment

#### NOTICE OF SUSPENSION

**NOTICE IS HEREBY GIVEN** that the Department of Transportation ("MnDOT") has ordered that the following vendors be suspended for a period of sixty (60) days, effective May 6, 2013 until July 5, 2013:

- Marlon Louis Danner and his affiliates, South St. Paul, MN
- Danner, Inc. and its affiliates, South St. Paul, MN
- Bull Dog Leasing, Inc. and its affiliates, Inver Grove Heights, MN
- Danner Family Limited Partnership and its affiliates, South St. Paul, MN
- Ell-Z Trucking, Inc. and its affiliates, South St. Paul, MN
- Danner Environmental, Inc. and its affiliates, South St. Paul, MN

#### NOTICE OF DEBARMENT

**NOTICE IS HEREBY GIVEN** that the Department of Transportation ("MnDOT") has ordered that the following vendors be debarred for a period of three (3) years, effective March 25, 2011 until March 25, 2014:

- Philip Joseph Franklin, Leesburg, VA
- Franklin Drywall, Inc. and its affiliates, Little Canada, MN

## Official Notices

- Master Drywall, Inc. and its affiliates, Little Canada, MN

**NOTICE IS HEREBY GIVEN** that the Department of Transportation ("MnDOT") has ordered that the following vendors be debarred for a period of three (3) years, effective May 6, 2013 until May 6, 2016:

- Gary Francis Bauerly and his affiliates, Rice, MN
- Gary Bauerly, LLC and its affiliates, Rice, MN
- Watab Hauling Co. and its affiliates, Rice, MN

*Minnesota Statute section 161.315 prohibits the Commissioner, counties, towns, or home rule or statutory cities from awarding or approving the award of a contract for goods or services to a person who is suspended or debarred, including:*

- any contract under which a debarred or suspended person will serve as a subcontractor or material supplier,
- any business or affiliate which the debarred or suspended person exercises substantial influence or control, and
- any business or entity, which is sold or transferred by a debarred person to a relative or any other party over whose actions the debarred person exercises substantial influence or control, remains ineligible during the duration of the seller's or transfer's debarment.

### State Contracts

In addition to the following listing of state contracts, readers are advised to check the Statewide Integrated Financial Tools (SWIFT) Supplier Portal at: <http://supplier.swift.state.mn.us> as well as the Office of Grants Management (OGM) at: <http://www.grants.state.mn.us/public/>

**Informal Solicitations:** Informal solicitations for professional/technical (consultant) contracts valued at over \$5,000 through \$50,000, may either be advertised in the Supplier Portal (see link above) or posted on the Department of Administration, Materials Management Division's (MMD) Web site at: <http://www.mmd.admin.state.mn.us/solicitations.htm>.

**Formal Solicitations:** Department of Administration procedures require that formal solicitations (announcements for contracts with an estimated value over \$50,000) for professional/technical contracts must be advertised in the SWIFT Supplier Portal or alternatively, in the *Minnesota State Register* if the procurements is not being conducted in the SWIFT system.

### Minnesota State Colleges and Universities (MnSCU)

#### Inver Hills Community College

#### Notice of Request for Proposals for Purchase of Laboratory Steam Sterilizer

Inver Hills Community College is requesting proposals for the purchase of a new laboratory steam sterilizer (i.e. autoclave). The sterilizer should be suitable for frequent sterilization of wrapped and unwrapped goods, liquids, biological waste and other heat and moisture stable materials.

To receive a complete copy of the proposal, please contact Karla Colwell by e-mail at: [karla.colwell@inverhills.edu](mailto:karla.colwell@inverhills.edu)

Proposals must be sealed with a notation on the outside of the envelope stating: Laboratory Sterilizer Proposal – DELIVER IMMEDIATELY

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## State Contracts

Mail or deliver (faxes and email will not be accepted) sealed proposal must be delivered no later than 12:00P.M, FRIDAY, August, 2<sup>nd</sup>, 2013 to:

Inver Hills Community College  
2500 - 80<sup>th</sup> Street East  
Inver Grove Heights MN 55076  
Attn: Karla Colwell

Business Office, College Center Building Second Floor  
Phone: (651) 450-3871

PROPOSAL CLOSE DATE IS FRIDAY, August, 2nd, 2013 – 12:00 PM

### **Minnesota State Colleges and Universities (MnSCU)**

#### **St. Cloud Technical & Community College**

#### **Formal Request for Proposal (RFP) for Five Axis Mill Machining Lab Equipment**

**RESPONSE DUE DATE AND TIME:** Tuesday, August 6, 2013 by 2:00 pm Central Time

The complete Request for Proposal will be available on Monday, July 22, 2013 on the website <http://www.sctcc.edu/rfp>

**TITLE OF PROJECT:** Purchase of Five Axis Mill Machining Lab Equipment for Department of Labor Grant to equip instructional program labs.

**GEOGRAPHIC LOCATION COULD INCLUDE:**

- St. Cloud Technical and Community College, 1540 Northway Drive, St Cloud, MN 56303 (SCTCC)
- Central Lakes College, 1830 Airport Road, Staples, MN 56479 (CLC)
- Pine Technical College, 900 4<sup>th</sup> Street SE, Pine City, MN 55063 (PTC)

**RESPONSES MUST BE RECEIVED AT THE LOCATION LISTED BELOW:**

St. Cloud Technical and Community College  
1540 Northway Drive  
St. Cloud, MN 56303

Susan Meyer, Purchasing Agent Room 1-401  
Phone: (320) 308-5973  
Fax: (320) 308-5027  
E-mail: [smeyer@sctcc.edu](mailto:smeyer@sctcc.edu)

Your response to this Request for Proposal (RFP) must be returned sealed. Sealed responses must be received no later than the due date and time specified above, at which time the names of the vendors responding to this RFP will be read. Late responses cannot be considered and the responses will be rejected.

The laws of Minnesota and MnSCU Board of Trustees policies and procedures apply to this RFP.

All attached General RFP Terms and Conditions, Specifications and Special Terms and Conditions are part of this RFP and will be incorporated into any contract(s) entered into as a result of this RFP.

All responses to this RFP must be prepared as stated herein and properly signed. Address all correspondence and inquiries regarding this RFP to the Contact person named above. This is a request for responses to an RFP and is not a purchase order.

## **State Contracts**

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### **Minnesota State Colleges and Universities (MnSCU)**

#### **St. Cloud Technical and Community College**

#### **Formal Request for Proposal (RFP) for Purchase of EDM Equipment**

**RESPONSE DUE DATE AND TIME:** Tuesday, August 6, 2013 by 2:00pm Central Time

The complete Request for Proposal will be available on Monday, July 22, 2013 on the website: <http://www.sctcc.edu/rfp>

**TITLE OF PROJECT:** Purchase of EDM Equipment for Department of Labor Grant to equip Machine Tool instructional program labs.

Equipment to be purchased includes:

- Wire EDM
- Sinker EDM

#### **GEOGRAPHIC LOCATION TO INCLUDE:**

- St. Cloud Technical and Community College, 1540 Northway Drive, St Cloud, MN 56303 (SCTCC)
- Central Lakes College, 1830 Airport Road, Staples, MN 56479 (CLC)
- Pine Technical College, 900 4<sup>th</sup> Street SE, Pine City, MN 55063 (PTC)

#### **RESPONSES MUST BE RECEIVED AT THE LOCATION LISTED BELOW:**

St. Cloud Technical and Community College  
1540 Northway Drive  
St. Cloud, MN 56303

Susan Meyer, Purchasing Agent Room 1-401

**Phone:** (320) 308-5973

**Fax:** (320) 308-5027

**E-mail:** [smeyer@sctcc.edu](mailto:smeyer@sctcc.edu)

Your response to this Request for Proposal (RFP) must be returned sealed. Sealed responses must be received no later than the due date and time specified above, at which time the names of the vendors responding to this RFP will be read. Late responses cannot be considered and the responses will be rejected.

The laws of Minnesota and MnSCU Board of Trustees policies and procedures apply to this RFB.

All attached General RFP Terms and Conditions, Specifications and Special Terms and Conditions are part of this RFP and will be incorporated into any contract(s) entered into as a result of this RFP.

All responses to this RFP must be prepared as stated herein and properly signed. Address all correspondence and inquiries regarding this RFP to the Contact person named above. This is a request for responses to an RFP and is not a purchase order.

### **Minnesota State Colleges and Universities (MnSCU)**

#### **St. Cloud Technical and Community Colleges**

#### **Formal Request for Proposal (RFP) for Purchase of Live Tooling Lathe Equipment**

**RESPONSE DUE DATE AND TIME:** Tuesday, August 6, 2013 by 2:00 pm Central Time

The complete Request for Proposal will be available on Monday, July 22, 2013 on the website: <http://www.sctcc.edu/rfp>

**TITLE OF PROJECT:** Purchase of Live Tooling Lathe Equipment for Department of Labor Grant to equip instructional program labs.

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## State Contracts

**GEOGRAPHIC LOCATION COULD INCLUDE:**

- St. Cloud Technical and Community College, 1540 Northway Drive, St Cloud MN 56303 (SCTCC)
- Central Lakes College, 1830 Airport Road, Staples, MN 56479 (CLC)
- Pine Technical College, 900 4<sup>th</sup> Street SE, Pine City, MN 55063 (PTC)

**RESPONSES MUST BE RECEIVED AT THE LOCATION LISTED BELOW:**

St. Cloud Technical and Community College  
1540 Northway Drive  
St. Cloud, MN 56303

Susan Meyer, Purchasing Agent Room 1-401

**Phone:** (320) 308-5973

**Fax:** (320) 308-5027

**E-mail:** [smeyer@sctcc.edu](mailto:smeyer@sctcc.edu)

Your response to this Request for Proposal (RFP) must be returned sealed. Sealed responses must be received no later than the due date and time specified above, at which time the names of the vendors responding to this RFP will be read. Late responses cannot be considered and the responses will be rejected.

The laws of Minnesota and MnSCU Board of Trustees policies and procedures apply to this RFP.

All attached General RFP Terms and Conditions, Specifications and Special Terms and Conditions are part of this RFP and will be incorporated into any contract(s) entered into as a result of this RFP.

All responses to this RFP must be prepared as stated herein and properly signed. Address all correspondence and inquiries regarding this RFP to the Contact person named above. This is a request for responses to an RFP and is not a purchase order.

## **Minnesota State Colleges and Universities (MnSCU)**

### **St. Cloud Technical and Community Colleges**

### **Formal Request for Proposal (RFP) for Purchase of Plastics Production Lab Equipment**

**RESPONSE DUE DATE AND TIME:** Tuesday, August 6, 2013 by 2:00 pm Central Time

The complete Request for Proposal will be available on Monday, July 22, 2013 on the website: <http://www.sctcc.edu/rfp>

**TITLE OF PROJECT:** Purchase of Plastics Production Lab Equipment for Department of Labor Grant to equip instructional program labs.

Equipment to be purchased may include:

- Injection Mold Press 110 Ton
- Injection Mold Press 55 Ton
- Temperature Controllers
- Dryers
- Chillers
- Tooling sets for Presses
- Robot arm for press
- Ventilation Units

# **State Contracts**

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## **GEOGRAPHIC LOCATION TO INCLUDE:**

- St. Cloud Technical and Community College, 1540 Northway Drive, St Cloud, MN 56303 (SCTCC)
- Central Lakes College, 1830 Airport Road, Staples, MN 56479 (CLC)
- Pine Technical College, 900 4<sup>th</sup> Street SE, Pine City, MN 55063 (PTC)

## **RESPONSES MUST BE RECEIVED AT THE LOCATION LISTED BELOW:**

St. Cloud Technical and Community College  
1540 Northway Drive  
St. Cloud, MN 56303

Susan Meyer, Purchasing Agent Room 1-401  
**Phone:** (320) 308-5973  
**Fax:** (320) 308-5027  
**E-mail:** [smeyer@sctcc.edu](mailto:smeyer@sctcc.edu)

Your response to this Request for Proposal (RFP) must be returned sealed. Sealed responses must be received no later than the due date and time specified above, at which time the names of the vendors responding to this RFP will be read. **Late responses** cannot be considered and the responses will be rejected.

The laws of Minnesota and MnSCU Board of Trustees policies and procedures apply to this RFP.

All attached General RFP Terms and Conditions, Specifications and Special Terms and Conditions are part of this RFP and will be incorporated into any contract(s) entered into as a result of this RFP.

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## **Minnesota State Colleges and Universities (MnSCU)**

### **St. Cloud Technical and Community Colleges**

### **Formal Request for Proposal (RFP) for Purchase of Plastics Materials Lab Benchtop Package**

**RESPONSE DUE DATE AND TIME:** Tuesday, August 6, 2013 by 2:00 pm Central Time

The complete Request for Proposal will be available on Monday, July 22, 2013 on the website: <http://www.sctcc.edu/rfp>

**TITLE OF PROJECT:** Purchase of Plastics Materials Lab Benchtop Package for Department of Labor Grant to equip instructional program labs.

## **GEOGRAPHIC LOCATION COULD INCLUDE:**

- St. Cloud Technical and Community College, 1540 Northway Drive, St Cloud, MN 56303 (SCTCC)
- Central Lakes College, 1830 Airport Road, Staples, MN 56479 (CLC)
- Pine Technical College, 900 4<sup>th</sup> Street SE, Pine City, MN 55063 (PTC)

## **RESPONSES MUST BE RECEIVED AT THE LOCATION LISTED BELOW:**

St. Cloud Technical and Community College  
1540 Northway Drive  
St. Cloud, MN 56303

Susan Meyer, Purchasing Agent Room 1-401  
**Phone:** (320) 308-5973

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## State Contracts

Fax: (320) 308-5027  
E-mail: [smeyer@sctcc.edu](mailto:smeyer@sctcc.edu)

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### Minnesota State Colleges and Universities (MnSCU)

### St. Cloud Technical and Community Colleges Formal Request for Proposal (RFP) for Purchase of Rapid Prototyping Lab Equipment

**RESPONSE DUE DATE AND TIME:** Tuesday, August 6, 2013 by 2:00 pm Central Time

The complete Request for Proposal will be available on Monday, July 22, 2013 on the website: <http://www.sctcc.edu/rfp>

**TITLE OF PROJECT:** Purchase of Rapid Prototyping Lab Equipment for Department of Labor Grant to equip instructional program labs.

Equipment to be purchased includes:

- Portable Scanner
- Epilog Laser, accessories and software
- Color 3Dimensional Printer Solid Modeling System
- Personal 3 dimensional Printer system
- Romer arm training table and accessories
- Multi-material 3Dimensional Printing Solid Modeling System
- MasterCAM Software Package
- Rapidform or Geomagic software

**GEOGRAPHIC LOCATION:**

St. Cloud Technical and Community College, 1540 Northway Drive, St Cloud, MN 56303 (SCTCC)

**RESPONSES MUST BE RECEIVED AT THE LOCATION LISTED BELOW:**

St. Cloud Technical and Community College  
1540 Northway Drive  
St. Cloud, MN 56303

Susan Meyer, Purchasing Agent Room 1-401  
Phone: (320) 308-5973  
Fax: (320) 308-5027  
E-mail: [smeyer@sctcc.edu](mailto:smeyer@sctcc.edu)

# **State Contracts**

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## **Minnesota State Colleges and Universities (MnSCU)**

### **St. Cloud Technical and Community College**

### **Formal Request for Proposal (RFP) for Purchase of Robotics and Automation Lab Equipment**

**RESPONSE DUE DATE AND TIME:** Tuesday, August 6, 2013 by 2:00 pm Central Time

The complete Request for Proposal will be available on Monday, July 22, 2013 on the website: <http://www.sctcc.edu/rfp>

**TITLE OF PROJECT:** Purchase of Robotics and Automation Lab Equipment for Department of Labor Grant to equip instructional program labs.

**GEOGRAPHIC LOCATION COULD INCLUDE:**

- St. Cloud Technical and Community College, 1540 Northway Drive, St Cloud, MN 56303 (SCTCC)
- Central Lakes College, 1830 Airport Road, Staples, MN 56479 (CLC)
- Pine Technical College, 900 4<sup>th</sup> Street SE, Pine City, MN 55063 (PTC)

**RESPONSES MUST BE RECEIVED AT THE LOCATION LISTED BELOW:**

St. Cloud Technical and Community College  
1540 Northway Drive  
St. Cloud, MN 56303

Susan Meyer, Purchasing Agent Room 1-401  
**Phone:** (320) 308-5973  
**Fax:** (320) 308-5027  
**E-mail:** [smeye@sctcc.edu](mailto:smeye@sctcc.edu)

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## **State Contracts**

### **Minnesota State Colleges and Universities (MnSCU)**

#### **St. Cloud Technical and Community College**

#### **Formal Request for Proposal (RFP) for Purchase of Surface Grinders Machining Lab Equipment**

**RESPONSE DUE DATE AND TIME:** Tuesday, August 6, 2013 by 2:00 pm Central Time

The complete Request for Proposal will be available on Monday, July 22, 2013 on the website: <http://www.sctcc.edu/rfp>

**TITLE OF PROJECT:** Purchase of Surface Grinders Machining Lab Equipment for Department of Labor Grant to equip instructional program labs.

**GEOGRAPHIC LOCATION TO INCLUDE:**

- St. Cloud Technical and Community College, 1540 Northway Drive, St Cloud, MN 56303 (SCTCC)
- Central Lakes College, 1830 Airport Road, Staples, MN 56479 (CLC)
- Pine Technical College, 900 4<sup>th</sup> Street SE, Pine City, MN 55063 (PTC)

**RESPONSES MUST BE RECEIVED AT THE LOCATION LISTED BELOW:**

St. Cloud Technical and Community College  
1540 Northway Drive  
St. Cloud, MN 56303

Susan Meyer, Purchasing Agent Room 1-401  
Phone: (320) 308-5973  
Fax: (320) 308-5027  
E-mail: [smeyer@sctcc.edu](mailto:smeyer@sctcc.edu)

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### **Minnesota State Colleges and Universities (MnSCU)**

#### **St. Cloud Technical and Community College**

#### **Formal Request for Proposal (RFP) for Purchase of Tool Room Lathe Equipment**

**RESPONSE DUE DATE AND TIME:** Tuesday, August 6, 2013 by 2:00 pm Central Time

The complete Request for Proposal will be available on Monday, July 22, 2013 on the website: <http://www.sctcc.edu/rfp>

**TITLE OF PROJECT:** Purchase of Tool Room Lathe Equipment for Department of Labor Grant to equip instructional program labs.

# **State Contracts**

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## **GEOGRAPHIC LOCATION COULD INCLUDE:**

- St. Cloud Technical and Community College, 1540 Northway Drive, St Cloud, MN 56303 (SCTCC)
- Central Lakes College, 1830 Airport Road, Staples, MN 56479 (CLC)
- Pine Technical College, 900 4<sup>th</sup> Street SE, Pine City, MN 55063 (PTC)

## **RESPONSES MUST BE RECEIVED AT THE LOCATION LISTED BELOW:**

St. Cloud Technical and Community College  
1540 Northway Drive  
St. Cloud, MN 56303

Susan Meyer, Purchasing Agent Room 1-401  
**Phone:** (320) 308-5973  
**Fax:** (320) 308-5027  
**E-mail:** [smeyer@sctcc.edu](mailto:smeyer@sctcc.edu)

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## **Minnesota State Colleges and Universities (MnSCU)**

### **St. Cloud Technical and Community College**

### **Formal Request for Proposal (RFP) for Purchase of Vertical Milling Machining Lab Equipment**

**RESPONSE DUE DATE AND TIME:** Tuesday, August 6, 2013 by 2:00 pm Central Time

The complete Request for Proposal will be available on Monday, July 22, 2013 on the website: <http://www.sctcc.edu/rfp>

**TITLE OF PROJECT:** Purchase of Vertical Milling Machining Lab Equipment for Department of Labor Grant to equip instructional program labs.

Equipment to be purchased includes:

- CNC Vertical Milling Center
- Vertical Mill (Manual and CNC Controls)
- CNC Mill control system retrofits

## **GEOGRAPHIC LOCATION COULD INCLUDE:**

- St. Cloud Technical and Community College, 1540 Northway Drive, St Cloud, MN 56303 (SCTCC)
- Central Lakes College, 1830 Airport Road, Staples, MN 56479 (CLC)
- Pine Technical College, 900 4<sup>th</sup> Street SE, Pine City, MN 55063 (PTC)

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## State Contracts

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St. Cloud Technical and Community College  
1540 Northway Drive  
St. Cloud, MN 56303

Susan Meyer, Purchasing Agent Room 1-401  
Phone: (320) 308-5973  
Fax: (320) 308-5027  
E-mail: [smeyer@sctcc.edu](mailto:smeyer@sctcc.edu)

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### Minnesota State Colleges and Universities (MnSCU)

#### St. Cloud Technical and Community College Formal Request for Proposal (RFP) for Purchase of Welding Lab Equipment

**RESPONSE DUE DATE AND TIME:** Tuesday, August 6, 2013 by 2:00 pm Central Time

The complete Request for Proposal will be available on Monday, July 22, 2013 on the website: <http://www.sctcc.edu/rfp>

**TITLE OF PROJECT:** Purchase of Welding Lab Equipment for Department of Labor Grant to equip instructional program labs.

Equipment to be purchased includes:

- Robotic Welding stations
- Six Axis Welding Robot with Two Axis Welding Positioner (Integrator)
- Welding Stations

**GEOGRAPHIC LOCATION COULD INCLUDE:**

- St. Cloud Technical and Community College, 1540 Northway Drive, St Cloud, MN 56303 (SCTCC)
- Central Lakes College, 1830 Airport Road, Staples, MN 56479 (CLC)
- Pine Technical College, 900 4<sup>th</sup> Street SE, Pine City, MN 55063 (PTC)

**RESPONSES MUST BE RECEIVED AT THE LOCATION LISTED BELOW:**

St. Cloud Technical and Community College  
1540 Northway Drive  
St. Cloud, MN 56303

Susan Meyer, Purchasing Agent Room 1-401  
Phone: (320) 308-5973  
Fax: (320) 308-5027

# **State Contracts**

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E-mail: [smeyer@scicc.edu](mailto:smeyer@scicc.edu)

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## **Department of Commerce**

### **Division of Energy Resources**

#### **Notice of Contract Availability for a White Paper Analysis of the Potential Costs and Benefits of Installing Utility-managed, Grid-connected Energy Storage Devices in Residential and Commercial Buildings in Minnesota**

The Minnesota Department of Commerce, Division of Energy Resources requests proposals from a qualified contractor for a white paper analysis of the potential costs and benefits of installing utility-managed, grid-connected energy storage devices in residential and commercial buildings in Minnesota.

The desired outcomes are:

- 1) a white paper analysis including an estimate of the potential value of on-site energy storage devices as a utility load-management tool, examination of the interaction with on-site solar photovoltaic devices, and analysis of existing barriers to installation; and
- 2) a presentation on findings to the Minnesota Legislature.

A Request for Proposals (RFP) and required forms will be available for download on the Department's website:

<http://mn.gov/commerce/>

through Monday, August 12, 2013. Potential responders may also request a hard copy of the RFP by mail from this office. Requests for hard copies must be received by the Department no later than 12:00 p.m. (Noon) Central Daylight Time (CDT) on Monday, August 12, 2013.

The RFP and forms can be obtained from:

Preferred Method: <http://mn.gov/commerce/>  
Hover over "Topics", then click on "Request for Proposals"

U.S. Postal Service: Grants Staff  
Minnesota Department of Commerce  
Division of Energy Resources  
85 - 7th Place East, Suite 500  
St. Paul, MN 55101-2198

Proposals submitted in response to this RFP must be received no later than 3:00 PM, CDT, Monday, August 12, 2013. Late proposals will not be considered. Instructions for submitting proposals are detailed in the RFP.

## **State Contracts**

This request does not obligate the State to complete the work contemplated in this notice. The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

### **Minnesota Department of Health (MDH)**

#### **Notice of Availability of Contract to Work with Minnesota Department of Health and the American Indian Communities to Plan, Convene and Facilitate a Culturally Appropriate Stakeholder Input Process with the American Indian Communities in Minnesota**

The Minnesota Department of Health, Office of Statewide Health Improvement Initiatives is seeking qualified responders to plan, convene and facilitate a culturally appropriate stakeholder input process with the American Indian communities in Minnesota. The selected contractor will work with MDH and representatives of the American Indian communities in Minnesota to explore culturally appropriate, evidence-based methods of reducing obesity, commercial tobacco use and exposure, and other risk factors leading to the onset of chronic disease. Additionally, feedback on the MDH grant-making model will be sought. In an effort to be responsive to the community, we are seeking qualified individual(s) or organizations to solicit a broad base of community feedback regarding the successes and barriers of OSHII's PSE efforts in the American Indian community. The contractor will systematically gather this input/feedback, regularly meet with OSHII staff, and provide a final written report of the results and tangible recommendations to OSHII.

Work is proposed to start on August 26, 2013.

A copy of the full Request for Proposals will be online July 22, 2013, at: [www.health.state.mn.us/healthreform/ship](http://www.health.state.mn.us/healthreform/ship)

Proposals submitted in response to the Request for Proposals in this advertisement must be received at the address above no later than August 5, 2013 at 4 p.m. Late proposals will NOT be considered. Fax or emailed proposals will NOT be considered.

This request does not obligate the State to complete the work contemplated in this notice. The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

### **Minnesota Office of the Legislative Auditor**

#### **Notice of Request for Proposals for Pavement-Selection Contracted Services**

The Minnesota Office of the Legislative Auditor is requesting proposals from qualified professionals to provide technical expertise during an evaluation of the Minnesota Department of Transportation's pavement-selection process.

Access the full Request for Proposals at the Office of the Legislative Auditor's Web site: [www.auditor.leg.state.mn.us](http://www.auditor.leg.state.mn.us).

Proposals must be submitted no later than 4:30 PM, central time, on Friday, August 9, 2013. Late proposals will not be considered. Work is expected to start after August 26, 2013.

The Office of the Legislative Auditor estimates that the cost of the contract will not exceed \$30,000. This notice does not obligate the office to spend the estimated dollar amount or to complete the work contemplated. The office reserves the right to cancel this solicitation.

For more information, contact:

Jody Hauer  
Minnesota Office of the Legislative Auditor  
Room 140  
658 Cedar Street  
St. Paul, MN 55155

## **State Contracts**

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Phone number: (651) 296-8501  
E-mail address: [jody.hauer@state.mn.us](mailto:jody.hauer@state.mn.us)

### **Minnesota Department of Military Affairs**

#### **Facilities Management Office, Camp Ripley, Little Falls, MN**

#### **Request for Proposals for Consultant Services for a Wind Resource Study for Camp Ripley, Little Falls, Minnesota (Project No. 13102)**

The State of Minnesota, Department of Military Affairs, is soliciting proposals from interested, qualified consultants to determine the feasibility of installing wind turbines at Camp Ripley, 15000 Highway 115, Little Falls, MN 56345.

A full Request for Proposal (RFP) is available on the Minnesota National Guard's website:

<http://www.MnNationalGuard.org/rfp>

All RFP responses must be received by the:

Department of Military Affairs  
Attn: Jan Graham  
Facilities Management Office  
Camp Ripley  
15000 Highway 115  
Little Falls, Minnesota 56345-4173

not later than 2:00 p.m. on Tuesday, August 6, 2013. Late responses will NOT be considered.

The Department of Military Affairs is not obligated to complete the proposed project and reserves the right to cancel the solicitation if it is considered to be in its best interest.

### **Minnesota Department of Transportation (Mn/DOT)**

#### **Engineering Services Division**

#### **Notice of Potential Availability of Contracting Opportunities for a Variety of Highway Related Technical Activities ("Consultant Pre-Qualification Program")**

This document is available in alternative formats for persons with disabilities by calling Kelly Arneson at (651) 366-4774; for persons who are hearing or speech impaired by calling Minnesota Relay Service at (800) 627-3529.

Mn/DOT, worked in conjunction with the Consultant Reform Committee, the American Council of Engineering Companies of Minnesota (ACEC/MN), and the Department of Administration, to develop the Consultant Pre-Qualification Program as a new method of consultant selection. The ultimate goal of the Pre-Qualification Program is to streamline the process of contracting for highway related professional/technical services. Mn/DOT awards most of its consultant contracts for highway-related technical activities using this method, however, Mn/DOT also reserves the right to use Request for Proposal (RFP) or other selection processes for particular projects.

Nothing in this solicitation requires Mn/DOT to use the Consultant Pre-Qualification Program.

Mn/DOT is currently requesting applications from consultants. Refer to Mn/DOT's Consultant Services web site, indicated below, to expenses are incurred in responding to this notice will be borne by the responder. Response to this notice becomes public information under the Minnesota Government Data Practices.

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## **State Contracts**

Consultant Pre-Qualification Program information, application requirements and applications forms are available on Mn/DOT's Consultant Services web site at: <http://www.dot.state.mn.us/consult>.

Send completed application material to:

Kelly Arneson  
Consultant Services  
Office of Technical Support  
Minnesota Department of Transportation  
395 John Ireland Blvd. Mail Stop 680  
St. Paul, MN 55155

### **Minnesota Department of Transportation (Mn/DOT) Engineering Services Division Notice Concerning Professional/Technical Contract Opportunities and Taxpayers' Transportation Accountability Act Notices**

**NOTICE TO ALL:** The Minnesota Department of Transportation (Mn/DOT) is now placing additional public notices for professional/technical contract opportunities on Mn/DOT's Consultant Services website at: [www.dot.state.mn.us/consult](http://www.dot.state.mn.us/consult)

New Public notices may be added to the website on a daily basis and be available for the time period as indicated within the public notice. Mn/DOT is also posting notices as required by the Taxpayers' Transportation Accountability Act on the above referenced website.

## Non-State Public Bids, Contracts & Grants

The *State Register* also serves as a central marketplace for contracts let out on bid by the public sector. The *State Register* meets state and federal guidelines for statewide circulation of public notices. Any tax-supported institution or government jurisdiction may advertise contracts and requests for proposals from the private sector. It is recommended that contracts and RFPs include the following: 1) name of contact person; 2) institution name, address, and telephone number; 3) brief description of commodity, project or tasks; 4) cost estimate; and 5) final submission date of completed contract proposal. Allow at least three weeks from publication date (four weeks from the date article is submitted for publication). Surveys show that subscribers are interested in hearing about contracts for estimates as low as \$1,000. Contact editor for further details.

Besides the following listing, readers are advised to check: <http://www.mmd.admin.state.mn.us/solicitations.htm> as well as the Office of Grants Management (OGM) at: <http://www.grants.state.mn.us/public/>.

### Dakota County

#### Request for Proposal for Interpreter and Translation Services

**NOTICE IS HEREBY GIVEN** that the Dakota County is seeking qualified vendors to provide interpreter and translation services County-wide. Work will primarily be conducted through the Community Services Division comprised of the following Departments: Employment & Economic Assistance, Public Health, Social Services and Community Corrections. Successful vendors will have proven experience working in health clinics, mental health settings, assisting with social work and/or public health home visits and in correctional settings. Additional consideration will be given to vendors who can demonstrate the ability to access third party insurance reimbursement through contracted relationships with multiple PMAP providers. Vendors must be able to assure access to service throughout Dakota County and have the capacity to supply interpreters for rare languages, such as African dialects. Vendors must meet all of the specifications in the RFP to be considered for a multi-year contract to become effective on October 1, 2013.

Contact:

Therese J. Richard, Contract Manager  
Dakota County Community Services Division  
1 Mendota Road West, Suite 500  
West St. Paul, MN 55118-4773  
**Phone:** (651) 554-5878  
**E-mail:** [therese.richard@co.dakota.mn.us](mailto:therese.richard@co.dakota.mn.us)

The RFP will be posted on Monday, July 22 at the following website:

<http://www.co.dakota.mn.us/Government/DoingBusiness/BidProposalsInformation/Pages/default.aspx>

Questions may be answered online or by phone through Friday, July 26 at 12:00 p.m. by contacting Therese Richard at the phone and email addresses listed above. Deadline for proposals is 4:30 p.m. (CDT) on Monday, August 5, 2013. Late proposals will NOT be considered.

# **Minnesota's Bookstore**

**660 Olive Street (Williams Hill Business Development), St. Paul, MN 55155**

**(1 block east of I-35E Bridge, 1 block north of University Ave.)**

## **FREE PARKING**

**Phone: (651) 297-3000; Fax: (651) 215-5733  
E-mail: <http://www.minnesotasbookstore.com>**

**Order Online at [www.minnesotasbookstore.com](http://www.minnesotasbookstore.com)**

## ***THE FOLLOWING STOCK IS "ALL NEW"***

### **HEALTH & HUMAN SERVICES**

Developmentally Disabled Laws & Rules, Stock No. 750, \$19.95  
Nursing & Boarding Care Laws, Stock No. 108, \$19.95  
Home Care Licensure Laws, Stock No. 97, \$16.95

### **LAW ENFORCEMENT**

Criminal Code & Selected Statutes 2012, Stock No. 111, \$35.95  
Motor Vehicle Traffic Laws 2012, Stock No. 116, \$31.95  
3-Ring White Binder - 6"x9"x2", Stock No. 388, \$9.95 (one binder for each Criminal Code and one for Motor Vehicle Traffic Laws)

### **MOTOR VEHICLE BOOKS**

2013 Base Value Guide First Printing, Stock No. 406, \$11.00  
2013 Motor Vehicle Tax Manual, Stock No. 415, \$19.95  
3-ring Binder, Stock No. 370, \$7.95  
Previous Base Value Guides are also available. Call for more Information.

### **NOTARY LAWS**

Notary Public Laws 2012, Stock No. 103, \$10.00  
Notary Mailing List, Call (651) 296-0930 to order.

### **PHARMACY LAWS**

Pharmacy Laws 2012, Stock No. 114, \$17.95  
Pharmacy Rules 2011, Stock No. 160, \$14.95  
Mailing Lists of Pharmacies and Pharmacists, Call (651) 296-0930 to order

### **PLUMBING CODE**

Minnesota Plumbing Code, Stock No. 124, \$39.95  
1-1/2" Binder, Stock No. 370, \$7.95  
Plumbers and Plumber Apprentices Mailing Lists (Call [651] 296-0930)

### **TAX PACKAGE AND TAX LAWS**

Income & Excise Tax Laws 2012, Stock No. 93 \$19.95  
Package XM - 2012: Minnesota Tax Forms, Stock No. 261, \$17.00

### **DAY CARE**

Child Care Center Laws & Rules 2012, Stock No. 149, \$17.95  
Family In Home Child Care Laws & Rules 2012, Stock No. 148, \$17.95

### **DENTISTRY LAWS AND RULES 2012**

Minnesota Statutes Chapters 150A, 319B, with selected sections from Chapters 144, 214 and 326, along with Minnesota Rules Chapter 3100 and selected sections from Chapter 6950. Soft cover, 150 pages. Stock No. 151, \$15.95.  
Mailing lists of Dental Assistants, Dental Hygienists and Dentists, various prices.  
Call (651) 296-0930 for more information on how to order.



### Several convenient ways to order:

- **Retail store** Open 8 a.m. - 5 p.m. Monday - Friday, 660 Olive Street, St. Paul
- **Phone** (credit cards): 8 a.m. - 5 p.m. Monday - Friday, 651.297.3000 (Twin Cities) or 1.800.657.3757 (nationwide toll-free)
- **On-line orders:** [www.mnnesotasbookstore.com](http://www.mnnesotasbookstore.com)
- **Minnesota Relay Service:** 8 a.m. - 5 p.m. Monday - Friday, 1.800.627.3529 (nationwide toll-free)
- **Fax** (credit cards): 651.215.5733 (fax line available 24 hours/day)
- **Mail orders:** Orders can be sent to Minnesota's Bookstore, 660 Olive Street, St. Paul, MN 55155

**PREPAYMENT REQUIRED. Prices and availability subject to change.**

**Fax and phone orders:** Credit card purchases ONLY (American Express/Discover/MasterCard/VISA). Please allow 1-2 weeks for delivery. **Mail orders:** Complete order blank and send to address above. Enclose check or include credit card information. Please allow 4-6 weeks for delivery. Please make checks payable to "Minnesota's Bookstore." A \$20.00 fee will be charged for returned checks.

Stock No.	Title	Quantity	Unit Price	Total

Send my order to:

\_\_\_\_\_  
Company

\_\_\_\_\_  
Name

Street Address      *(Not deliverable to P.O. boxes)*

City ( )              State      Zip

Daytime phone *(In case we have a question about your order)*

Credit card number: \_\_\_\_\_

Expiration date: \_\_\_\_\_ Signature: \_\_\_\_\_

**Shipping Charges**

If Product Subtotal Is:	Please Add:
Up to \$15.00	\$ 5.00
\$15.01-\$25.00	\$ 6.00
\$25.01-\$50.00	\$ 9.00
\$50.01-\$100.00	\$ 14.00
\$100.01-\$1,000	\$ 17.00*

\*\$17 to an address in MN, WI, SD, ND, IA.  
If delivered to an address in other states,  
Canada or internationally, we will contact  
you if there are additional charges.

More than \$1,000 Call

Product Subtotal \_\_\_\_\_

Shipping \_\_\_\_\_

Subtotal \_\_\_\_\_

Sales tax \_\_\_\_\_

*(6.875% sales tax  
if shipped to MN  
address, 7.625% if  
shipped to St. Paul  
address. 7.125% MN  
transit tax or other local  
sales tax if applicable)*

**TOTAL** \_\_\_\_\_

If tax exempt, please provide ES number  
or completed exemption form.  
ES# \_\_\_\_\_

## Housing Finance and Policy

Chairs: Rep. Karen Clark,

**MEETING:** January 23, 2013  
12:30 PM  
Basement State Office Building

### AGENDA

- I. Call to Order.
- II. Roll Call.
- III. Approval of Minutes.
- IV. Overview of housing programs and initiatives run by the MN Department of Human Services (DHS).  
  
Erin Sullivan Sutton, Assistant Commissioner for Children & Family Services
- V. Presentation by NAHRO - Minnesota (National Association of Housing and Redevelopment Officials) on the policy and finance priorities of Minnesota's housing authorities.  
  
Representatives of NAHRO-MN
- VI. Adjournment.

**Next meeting:** January 28, 2013  
12:30 PM  
Basement State Office Building

Monday, February 18, 2013

Committee on Health, Human Services and Housing

Chair: Sen. Kathy Sheran

12 Noon

Room 15 Capitol

Agenda:

- S.F. 267 Clausen Minnesota family investment program (MFIP) eligibility expansion to child-only cases in households with mental illness.
- Sue Abderholden, NAMI
  - Alexandra Fitzsimmons, Children's Defense Fund Minnesota
- S.F. 115 Pappas Child care assistance program absent days provisions modification.
- Deby Ziesmer, Vice President Early Childhood Education, YWCA of Minneapolis
  - Ashly Marlin, parent
- S.F. 460 Hayden Children and family services provisions modifications; data practices, contractual agreements with tribes and child care assistance, community action agencies mergers, Minnesota family investment program (MFIP), and maltreatment of minors reporting p.
- Larry Hosch, DHS, Transitions to Economic Security
  - Melinda T. Hugdahl and Jessica Webster, Legal Services Advocacy Project
- S.F. 321 Sheran Minnesota task force on prematurity duties and reporting dates modifications.
- Phil Griffin, Griffin Government Consulting
  - Martha Overby, March of Dimes, State Director of Program Services & Government Affairs

# Minnesota House of Representatives

## House committee hearing information for HF0739

Date	Committee	Action
------	-----------	--------

No unofficial actions were found.

### Short Description

Children and family service provisions modified; data practice provisions changed; and contractual agreement provisions changed with tribes, child care programs, community action agencies, the Minnesota family investment program, general assistance, group residential housing, and maltreatment reporting.

### House Hearings

- 2/27/2013 - Early Childhood and Youth Development Policy on - meeting minutes/audio
- 3/6/2013 - Health and Human Services Policy on - meeting minutes/audio
- 3/6/2013 - Health and Human Services Policy on - meeting minutes/audio
- 3/8/2013 - Health and Human Services Policy on - meeting minutes/audio
- 3/20/2013 - Civil Law on - meeting minutes/audio

## **Appendix F: List of Minnesota CSBG/Community Action Funding Grantees**

Formal Name:

Anoka County Community Action Program

Arrowhead Economic Opportunity Agency

Bi-County Community Action Program

Bois Forte Reservation

Community Action Duluth

Community Action of Minneapolis

Community Action Partnership of Ramsey & Washington Counties

Community Action Partnership of Suburban Hennepin

Fond du Lac Reservation

Grand Portage Reservation

Heartland Community Action Agency

Inter-County Community Council

KOOTASCA Community Action

Lakes & Pines Community Action Council

Lakes & Prairies Community Action Partnership

Leech Lake Band of Ojibwe

Lower Sioux Indian Community

Mahube-Otwa Community Action Partnership

Mille Lacs Band of Ojibwe Council

Minnesota Valley Action Council

Northwest Community Action

Prairie Five Community Action Council

Prairie Island Indian Community

Red Lake Band of Chippewa Indians

Scott Carver Dakota CAP Agency

Semcac

Shakopee Mdewakanton Sioux Community

Southwestern Minnesota Opportunity Council

Three Rivers Community Action

Tri-County Action Program

Tri-County Community Action

Tri-Valley Opportunity Council

Upper Sioux Community

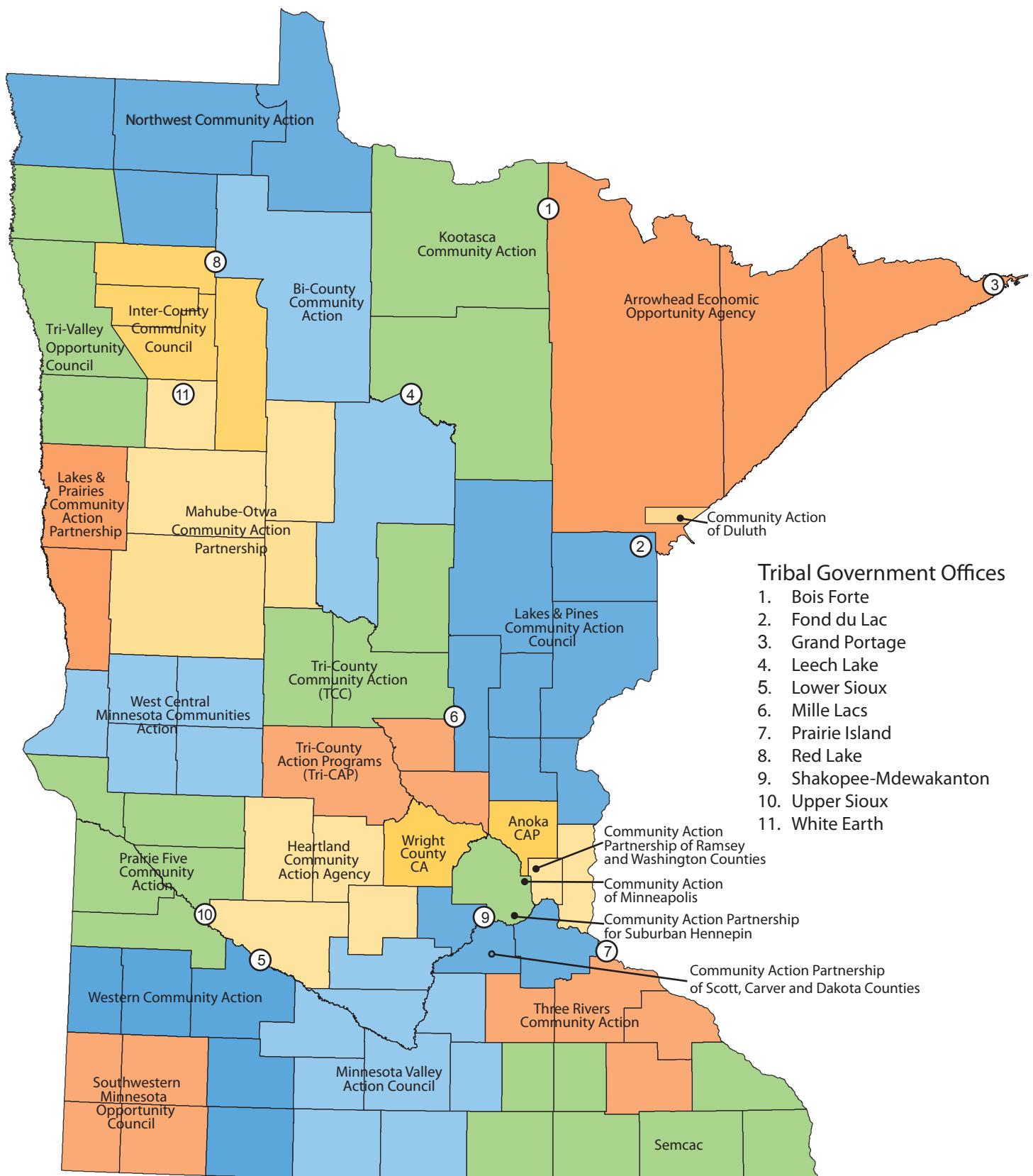
West Central Minnesota Communities Action

Western Community Action

White Earth Reservation

Wright County Community Action

# MN Community Action Network



## Appendix H: 2012-13 and 2014-15 Community Action Funding Community Action Allocations

**Notes:**

MN Community Action Grant funding levels are based upon the Governor's proposed 2014-2015 Budget.  
CSBG projections are based on the anticipated President's 2014 Budget.

**Use these amounts for your  
2014-15 Community Action Plan Application**

**UPDATED: 7/9/2013**

GRANTEE	Relative LI Pop Percent	PREVIOUS FUNDING AMOUNTS			DRAFT 2014-2015 FUNDING				2014-15 PROJECTED Two-year Contract Amount
		2012 and 2013 Annual MN Community Action Grant - Final	2013 Annual CSBG Final	2013 Annual Combined Total	2014 and 2015 Annual MN Community Action Grant	2014 and 2015 Annual CSBG At Level Funding	2014 and 2015 Annual CSBG At 50% Reduction	2014 and 2015 Annual Total Funding	
Anoka	3.7402%	135,591	244,963	380,554	136,852	246,084	118,009	254,861	509,722
AEOA	2.6255%	101,954	178,061	280,015	103,516	180,192	90,289	193,805	387,610
Bi-County	2.1964%	91,906	158,075	249,981	90,684	154,830	79,619	170,303	340,606
Bois Forte	0.0240%	14,492	15,089	29,581	14,614	15,322	14,492	29,106	58,212
CA Duluth	2.9895%	115,816	205,632	321,448	114,402	201,711	99,342	213,744	427,488
CA of Minneapolis	14.2365%	498,719	942,492	1,441,211	475,743	891,514	404,023	879,766	1,759,532
CAPRW	16.3273%	504,701	954,391	1,459,092	538,266	1,015,096	456,014	994,280	1,988,560
CAP SCD	6.0255%	213,446	375,091	588,537	230,193	406,165	199,838	430,031	860,062
CAPSH	9.7998%	312,842	572,788	885,630	343,064	629,263	293,695	636,759	1,273,518
Fond du Lac	0.1599%	18,478	23,016	41,494	18,724	23,445	17,909	36,633	73,266
Grand Portage	0.0116%	14,905	15,908	30,813	14,241	14,585	14,182	28,423	56,846
Heartland	2.0504%	84,462	143,269	227,731	86,317	146,198	75,988	162,305	324,610
Inter-County	0.7799%	49,042	72,819	121,861	48,323	71,099	44,394	92,717	185,434
Kootasca	1.1561%	65,003	104,565	169,568	59,574	93,337	53,749	113,323	226,646
Lakes & Pines	3.8326%	145,404	264,481	409,885	139,613	251,540	120,305	259,918	519,836
Lakes & Prairies	1.3025%	65,651	105,854	171,505	63,951	101,990	57,389	121,340	242,680
Leech Lake	0.4079%	27,598	41,155	68,753	26,218	38,258	24,141	50,359	100,718
Lower Sioux	0.0454%	14,544	15,193	29,737	15,261	16,600	15,029	30,290	60,580
Mahube Otwa	2.9822%	138,780	226,582	365,362	114,184	201,279	99,160	213,344	426,688
Mille Lacs	0.2036%	20,555	27,147	47,702	20,043	26,053	19,006	39,049	78,098
MVAC	4.8428%	202,825	353,965	556,790	194,824	336,256	170,427	365,251	730,502
Northwest	0.5291%	28,404	44,132	72,536	28,323	43,776	25,658	53,981	107,962
Prairie Five	0.8298%	50,768	76,252	127,020	49,815	74,049	45,635	95,450	190,900
Prairie Island	0.0188%	0	0	0	0	0	0	0	0
Red Lake	0.4339%	25,852	37,682	63,534	27,006	39,816	24,797	51,803	103,606
Semcac	4.4522%	154,081	281,740	435,821	183,142	313,165	160,713	343,855	687,710
Shakopee	0.0092%	0	0	0	0	0	0	0	0
SMOC	1.2197%	60,633	95,872	156,505	61,476	97,098	55,332	116,808	233,616
Three Rivers (Olmsted)	3.9631%	83,877	142,105	225,982	143,517	259,258	123,552	267,069	534,138
Tri-CAP (SC)	5.2070%	204,798	357,889	562,687	205,716	357,785	179,484	385,200	770,400
TCC (LF)	2.7140%	103,618	181,369	284,987	106,162	185,423	92,490	198,652	397,304
TVOC	0.6877%	50,424	75,568	125,992	33,065	53,148	29,600	62,665	125,330
Upper Sioux	0.0023%	26,679	26,967	53,646	26,741	27,085	26,682	53,423	106,846
WCMCA	1.2161%	67,325	109,184	176,509	61,367	96,883	55,241	116,608	233,216
Western	1.3644%	64,813	104,188	169,001	65,802	105,648	58,929	124,731	249,462
White Earth	0.4195%	24,070	34,139	58,209	26,570	38,954	24,434	51,004	102,008
Wright County	1.1935%	61,757	98,108	159,865	60,691	95,547	54,679	115,370	230,740
	100.00000%	3,843,813	6,705,731	10,549,544	3,928,000	6,840,000	3,424,226	7,352,226	14,704,452

## **Agency Name**

*Filling in the agency name here will automatically populate the agency name throughout the document.*

# **MN ROMA / National Performance Indicator (NPI)**

## **Outcome - Based Work Plan**

### **2014-2015**

**ROMA Contact:**

**Phone:**

**Email:**

**STATE OF MINNESOTA  
GRANT CONTRACT WORKSHEET**

**Originator – fill in the Allotments(s) (Org #) and Requisition Agency # this grant contract will be charged to.**  
**Fill in the total amount of grant contract and the amount to be encumbered IF this grant contract spans more than one fiscal year. Use the assigned AGPS Order number below to pay invoices for this grant/contract.**

**Total Amount of Contract \$**

**FinDeptID H5531767**

amount for state fiscal year 2014: \$

state fiscal year 2015: \$

**FinDeptID H5531823**

amount for state fiscal year 2014: \$

state fiscal year 2015: \$

**[X] Unspent encumbrances to be certified to meet future obligations in accordance with MS§16A.28**

**SWIFT Accounting Information**

**Contract Coordinator – fill in fields below when encumbered:**

Starts in fiscal year: 2014

Vendor ID:

**Distribution 1: CSBG**

FinDeptID: H5531767

Fund: 1000

AppropID: 11028

UNSPSC Category: \_\_\_\_\_

Account: \_\_\_\_\_

DefaultProj: \_\_\_\_\_

Amount: \$\_\_\_\_\_

**Distribution 2: MN Community Action Grant**

FinDeptID: H5531823

Fund: 3000

AppropID: 11120

UNSPSC Category: \_\_\_\_\_

Account: \_\_\_\_\_

DefaultProj: \_\_\_\_\_

Amount: \$\_\_\_\_\_

**SWIFT Grant# /Encumbrance #:**

Note: Swift generates contract numbers that are 25 digits long, for example GRK000000000000000000000000000000012345.

Swift generates encumbrance numbers – KEO's that are 10 digits long, for example 3000000123.

Number/Date/Initials

*Individual signing certifies that funds have been encumbered as required by MS § 16A.15*

**NOTICE TO GRANTEE:** You are required by Minnesota Statutes, Section 270C.65 to provide your social security number or Federal employer tax identification number and Minnesota tax identification number if you do business with the State of Minnesota. This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require you to file state tax returns and pay delinquent state tax liabilities. This grant contract will not be approved unless these numbers are provided. These numbers will be available to federal and state tax authorities and state personnel involved in approving the contract and the payment of state obligations.

Grantee Name and Address:

Soc. Sec. or Federal Employer I.D. No.

Minnesota Tax I.D. No. (if applicable)

**THIS PAGE OF THE GRANT CONTRACT CONTAINS PRIVATE INFORMATION. EXCEPT AS DEFINED ABOVE,  
THIS PAGE SHOULD NOT BE REPRODUCED OR DISTRIBUTED EXTERNALLY WITHOUT EXPRESS WRITTEN  
PERMISSION OF THE GRANTEE**

If you circulate this contract internally, only offices that require access to the tax identification number  
AND all individuals/offices signing this grant contract should have access to this page.

THIS PAGE WAS LEFT BLANK INTENTIONALLY

**STATE OF MINNESOTA  
GRANT CONTRACT  
COMMUNITY SERVICES BLOCK GRANT (CSBG)  
MINNESOTA COMMUNITY ACTION GRANT (MCAG)**

THIS GRANT, and amendments and supplements thereto, is between State of Minnesota, acting through its Department of Human Services Community Partnership Division Office of Economic Opportunity (hereinafter STATE) and **GRANTEE NAME AND ADDRESS**, an independent grantee, not an employee of the State of Minnesota, **address**, (hereinafter GRANTEE), witnesseth that:

<b>Total Contract Amount:</b>	<b>\$</b>
<b>Grant Contract Number:</b>	<b>93.569</b>
<b>CFDA Number:</b>	
<b>MCAG Contract Start Date:</b>	<u><b>July 1, 2013</b></u>
<b>MCAG Amount for SFY 2014:</b>	<u><b>\$</b></u>
<b>MCAG Amount for SFY 2015:</b>	<u><b>\$</b></u>
<b>MCAG Contract End Date:</b>	<u><b>June 30, 2015</b></u>
<b>CSBG Contract Start Date:</b>	<u><b>October 1, 2013</b></u>
<b>CSBG Amount for SFY 2014:</b>	<u><b>\$</b></u>
<b>CSBG Amount for SFY 2015:</b>	<u><b>\$</b></u>
<b>CSBG Contract End Date:</b>	<u><b>June 30, 2016</b></u>

WHEREAS, the STATE, pursuant to Community Services Block Grant Act (42 U.S.C. 9901 et. Seq.), as amended by the Coats Human Services Reauthorization Act of 1998, and Minnesota Statutes Section 256.01 Subd 2 (a)(6) and 256E.30-256E.32 is empowered to enter into contracts for the following services: assistance for low-income households, and

WHEREAS STATE is in need of the following services: assistance for low-income households, and

WHEREAS STATE is permitted to share information with the GRANTEE in accordance with Minnesota Statute, section 13.46, and

WHEREAS STATE recognizes the agency as the designated CSBG eligible entity and Community Action Agency for the counties outlined in the work plan.

WHEREAS, GRANTEE represents that it is duly qualified and willing to perform the services set forth herein,

NOW, THEREFORE, it is agreed:

**I. GRANTEE'S DUTIES:**

- A. The GRANTEE shall perform the specific duties as described in Attachment A, Work Plan, which is incorporated by reference and made a part of this agreement.

- B. The GRANTEE shall comply with any operating procedures, guidelines, and policies issued by the STATE relating to the performance of this Agreement.
- C. The GRANTEE agrees to cooperate in the STATE's monitoring activities and will implement and comply with such remedial action as is proposed by the STATE.
- D. The GRANTEE shall have a management information system which shall be capable of producing auditable reports.
- E. The GRANTEE shall comply with program and fiscal activity reporting requirements.
- F. Services provided by GRANTEE shall include the following as set forth and within the limits of Attachment A: activities that
  - 1) Strengthen community capabilities for planning and coordinating the use of a broad range of resources related to the elimination of poverty;
  - 2) Organize a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals achieve self-sufficiency;
  - 3) Make use of innovative and effective community-based approaches to attacking the causes and effects of poverty and community breakdown;
  - 4) Maximize participation of residents of low-income communities and members of the groups served by programs to empower such residents and members to respond to the unique problems and needs within their communities; and,
  - 5) Broaden the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for private, religious, charitable, and neighborhood-based organizations as well as individual citizens and business, labor and professional groups who are able to influence the quantity and quality of opportunities and services for the poor.

## **II. CONSIDERATION AND TERMS OF PAYMENT.**

- A. Consideration for all services performed and goods or materials supplied by GRANTEE pursuant to this grant shall be paid by the STATE as follows:
  - 1. Compensation shall be consistent with the Program Line Item Budget, which is incorporated into and made a part of the contract as Attachment B: Budget
  - 2. Reimbursement for travel and subsistence expenses actually and necessarily incurred by GRANTEE'S performance of this grant contract shall be no greater amount than provided in the current Commissioner's Plan (which is incorporated by reference) promulgated by the Commissioner of Minnesota Management and Budget . GRANTEE shall not be reimbursed for travel and subsistence expense incurred outside the State of Minnesota unless it has received prior written approval for such out of state travel from the STATE.
  - 3. The total obligation of the STATE for all compensation and reimbursements to GRANTEE shall not exceed **(\$).**
  - 4. The GRANTEE shall be responsible for establishing and maintaining records identifying interest and/or investment income earned on program funds. Income

so earned shall be added to the existing funding of this Agreement and may be used for any allowable grant expenditure.

5. (If applicable.) For compensation payable under this grant contract, which is subject to withholding under state or federal law, appropriate amounts will be deducted and withheld by the State as required.
6. The STATE shall notify the GRANTEE of funding availability through a Notice of Funds Available (NFA). The GRANTEE shall execute the NFA and the NFA shall be incorporated by reference into this grant agreement.
7. Monies obligated under this grant agreement for Minnesota Community Action Grant funding must be expended by June 30, 2015, or returned to the STATE. Monies obligated under this grant agreement for 2012 Community Services Block Grant funding must be expended by September 30, 2015, or returned to the STATE. Monies obligated under this grant agreement for 2013 Community Services Block Grant funding must be expended by June 30, 2016, or returned to the STATE.

#### B. Terms of Payment

1. Payments shall be made by the STATE promptly after GRANTEE'S presentation of invoices for services performed and acceptance of such services by the STATE'S authorized agent pursuant to Clause VII. Invoices shall be submitted in a form prescribed by the STATE and according to the following schedule: each month the GRANTEE shall submit Expenditures to the Enterprise Grant Management System (EGMS) to request reimbursement and report expenditures.
2. Grantee shall have a system that ensures the timing and amount of cash received is as close as administratively feasible to the actual disbursement of program costs.
3. Payments are to be made from federal funds obtained by the STATE through the Coats Human Services Reauthorization Act of 1998 (Public law 106-113 and amendments thereto), Catalog of Federal Domestic Assistance (CFDA) No. 93.569. If at any time such funds become unavailable, this grant shall be terminated immediately upon written notice of such fact by the STATE to the GRANTEE. In the event of such termination, GRANTEE shall be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.
4. The GRANTEE shall complete and forward the Authorization to Draw Cash form to the STATE, with signatures of the individuals authorized to draw cash. A duplicate will be kept on file by the GRANTEE.
5. For contracts in force during more than one State Fiscal Year, the GRANTEE agrees to submit a Expenditure Report within 30 days after the end of a state fiscal year for expenses incurred during that state fiscal year. The State Fiscal Year runs July 1 through June 30.

#### III. **CONDITIONS OF PAYMENT.** All services provided by GRANTEE pursuant to this grant contract shall be performed to the satisfaction of the STATE, as determined at the

sole discretion of its authorized representative, and in accord with all applicable federal, state, and local laws, ordinances, rules and regulations including business registration requirements of the Office of the Secretary of State. GRANTEE shall not receive payment for work found by the STATE to be unsatisfactory, or performed in violation of federal, state or local law, ordinance, rule or regulation.

- IV. **PAYMENT RECOUPMENT.** The GRANTEE must reimburse the STATE upon demand or the STATE may deduct from future payments under this grant any amounts paid by the STATE, under this or any previous grant, for which invoices and progress reports have not been received, or for which the GRANTEE'S books, records or other documents are not sufficient to clearly substantiate that those amounts were used by the GRANTEE to perform grant services. Grantees must repay DHS-disallowed costs in cash from non-DHS sources.
- V. **TERMS OF CONTRACT.** This grant shall be effective on **July 1, 2013**, or upon the date that the final required signature is obtained by the STATE, pursuant to Minnesota Statutes, Section 16C.05, Subd 2, whichever occurs later, and shall remain in effect through **June 30, 2016**, or until all obligations set forth in this grant contract have been satisfactorily fulfilled, whichever occurs first. GRANTEE understands that NO work should begin under this grant contract until ALL required signatures have been obtained, and GRANTEE is notified to begin work by the STATE's Authorized Representative. The GRANTEE shall have a continuing obligation, after said grant period, to comply with the following provisions of grant clauses: X. Liability ; XI. State Audits; XII. Information Privacy and Security; XIII. Intellectual Property Rights; XIV. Publicity; and XXI. Jurisdiction and Venue.
- VI. **CANCELLATION.**
- A. For Cause or Convenience.** This grant contract may be canceled by the STATE or GRANTEE at any time, with or without cause, upon thirty (30) days written notice to the other party. In the event of such a cancellation, GRANTEE shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed. The STATE has the right to suspend or terminate this grant contract immediately when the STATE deems the health or welfare of the service recipients is endangered, when the STATE has reasonable cause to believe that the GRANTEE has breached a material term of the grant contract, or when GRANTEE'S non-compliance with the terms of the grant contract may jeopardize federal financial participation.
- B. Insufficient Funds.** The STATE may immediately terminate this grant contract if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination will be by written or electronic notice to the GRANTEE. The STATE is not obligated to pay for any services that are provided after notice and effective date of termination. However, the GRANTEE will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The STATE will not be assessed any penalty if the grant contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The STATE must provide the GRANTEE notice of the lack of funding within a reasonable time of the STATE's receiving that notice.

**C. Breach.** Notwithstanding clause VI.A., upon STATE's knowledge of a curable material breach of the contract by GRANTEE, STATE shall provide GRANTEE written notice of the breach and ten (10) days to cure the breach. If GRANTEE does not cure the breach within the time allowed, GRANTEE will be in default of this contract and STATE may cancel the contract immediately thereafter. If GRANTEE has breached a material term of this contract and cure is not possible, STATE may immediately terminate this contract.

VII. **AUTHORIZED REPRESENTATIVES AND RESPONSIBLE AUTHORITY.**

**A. State.** The STATE'S authorized representative for the purposes of administration of this grant contract is **Connie Greer** or his/her successor. Such representative shall have final authority for acceptance of GRANTEE'S services and if such services are accepted as satisfactory, shall so certify on each invoice submitted pursuant to Clause II, paragraph B.

**B. Grantee.** The GRANTEE's Authorized Representative is or his/her successor. If the GRANTEE's Authorized Representative changes at any time during this contract, the GRANTEE must immediately notify the STATE.

**C. Information Privacy and Security.** (If applicable) GRANTEE's responsible authority for the purposes of complying with data privacy and security for this contract is or his/her successor.

VIII. **ASSIGNMENT.** GRANTEE shall neither assign nor transfer any rights or obligations under this grant contract without the prior written consent of the STATE.

IX. **AMENDMENTS.** Any amendments to this grant contract shall be in writing, and shall be executed by the same parties who executed the original grant contract, or their successors in office.

X. **LIABILITY.** To the extent provided for in Minnesota Statutes, section 466.01 to 466.15, the GRANTEE agrees to be responsible for any and all claims or causes of action arising from the performance of this grant by GRANTEE or GRANTEE'S agents or employees. This clause shall not be construed to bar any legal remedies GRANTEE may have for the STATE'S failure to fulfill its obligations pursuant to this grant.

XI. **STATE AUDITS.** Under Minn. Stat. §16C.05, subd. 5, the books, records, documents, and accounting procedures and practices of the GRANTEE and its employees, agents, or subcontractors relevant to this grant contract shall be made available and subject to examination by the STATE, including the contracting Agency/Division, Legislative Auditor, and State Auditor for a minimum of six years from the end of this grant contract.

XII. **INFORMATION PRIVACY AND SECURITY**

For purposes of executing its responsibilities and to the extent set forth in this contract, the GRANTEE will be considered part of the "welfare system," as defined in Minnesota Statutes, section 13.46, subdivision 1.

**1. Information Covered by this Provision.** In carrying out its duties, GRANTEE will be handling one or more types of private information, collectively referred to as "protected

information,” concerning individual STATE clients. “Protected information,” for purposes of this agreement, includes any or all of the following:

- (a) Private data (as defined in Minn. Stat. §13.02, subd. 12), confidential data (as defined in Minn. Stat. §13.02, subd. 3), welfare data (as governed by Minn. Stat. §13.46), medical data (as governed by Minn. Stat. §13.384), and other non-public data governed elsewhere in the Minnesota Government Data Practices Act (MGDPA), Minn. Stats. Chapter 13;
- (b) Health records (as governed by the Minnesota Health Records Act [Minn. Stat. §§144.291-144.298]);
- (c) Chemical health records (as governed by 42 U.S.C. § 290dd-2 and 42 CFR § 2.1 to § 2.67);
- (d) Protected health information (“PHI”) (as defined in and governed by the Health Insurance Portability Accountability Act (“HIPAA”), 45 CFR § 160.103); and
- (e) Electronic Health Records (as governed by Health Information Technology for Economic and Clinical Health Act (HITECH), 42 USC 201 note, 42 USC 17921(5)); and
- (f) Other data subject to applicable state and federal statutes, rules, and regulations affecting the collection, storage, use, or dissemination of private or confidential information.

## **2. Duties Relating to Protection of Information.**

- (a) **Duty to ensure proper handling of information.** GRANTEE shall be responsible for ensuring proper handling and safeguarding by its employees, subcontractors, and authorized agents of protected information collected, created, used, maintained, or disclosed on behalf of STATE. This responsibility includes ensuring that employees and agents comply with and are properly trained regarding, as applicable, the laws listed above in paragraph XII.1.
- (b) **Minimum necessary access to information.** GRANTEE shall comply with the “minimum necessary” access and disclosure rule set forth in the HIPAA and the MGDPA. The collection, creation, use, maintenance, and disclosure by GRANTEE shall be limited to “that necessary for the administration and management of programs specifically authorized by the legislature or local governing body or mandated by the federal government.” See, respectively, 45 CFR §§ 164.502(b) and 164.514(d), and Minn. Stat. § 13.05 subd. 3.
- (c) **Information Requests.** Unless provided for otherwise in this Agreement, if GRANTEE receives a request to release the information referred to in this Clause, GRANTEE must immediately notify STATE. STATE will give GRANTEE instructions concerning the release of the data to the requesting party before the data is released.

## **3. GRANTEE’s Use of Information.** GRANTEE shall:

- (a) Not use or further disclose protected information created, collected, received, stored, used, maintained or disseminated in the course or performance of this Agreement other

than as permitted or required by this Agreement or as required by law, either during the period of this agreement or hereafter.

- (b) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of the protected information by its employees, subcontractors and agents other than as provided for by this Agreement. This includes, but is not limited to, having implemented administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic protected health information that it creates, receives, maintains, or transmits on behalf of STATE.
- (c) Report to STATE any privacy or security incident regarding the information of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR 164.410. For purposes of this Agreement, “Security incident” means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system. “Privacy incident” means violation of the Minnesota Government Data Practices Act (MGDPA) and/or the HIPAA Privacy Rule (45 C.F.R. Part 164, Subpart E), including, but not limited to, improper and/or unauthorized use or disclosure of protected information, and incidents in which the confidentiality of the information maintained by it has been breached. This report must be in writing and sent to STATE not more than 7 days after learning of such non-permitted use or disclosure. Such a report will at least: (1) Identify the nature of the non-permitted use or disclosure; (2) Identify the PHI used or disclosed; (3) Identify who made the non-permitted use or disclosure and who received the non-permitted or violating disclosure; (4) Identify what corrective action was taken or will be taken to prevent further non-permitted uses or disclosures; (5) Identify what was done or will be done to mitigate any deleterious effect of the non-permitted use or disclosure; and (6) Provide such other information, including any written documentation, as STATE may reasonably request.
- (d) Consistent with this Agreement, and in accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), ensure that any agents (including contractors and subcontractors), analysts, and others that create, receive, maintain, or transmit protected health information on behalf of the business associate, enter into a business associate agreement with any subcontractors to agree in writing to be bound by the same restrictions, conditions, and requirements that apply to it with respect to such information.
- (e) Document such disclosures of PHI and information related to such disclosures as would be required for STATE to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528
- (f) Mitigate, to the extent practicable, any harmful effects known to it of a use, disclosure, or breach of security with respect to protected information by it in violation of this Agreement.
- (g) In accordance with HIPAA, upon obtaining knowledge of a breach or violation by a subcontractor, take appropriate steps to cure the breach or end the violation, and if such steps are unsuccessful, terminate the agreement.
- (h) Not use or disclose PHI in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by DHS.

**4. State's Duties.** STATE shall:

- (a) Only release information which it is authorized by law or regulation to share with GRANTEE.
- (b) Obtain any required consents, authorizations or other permissions that may be necessary for it to share information with GRANTEE.
- (c) Notify GRANTEE of limitation(s), restrictions, changes, or revocation of permission by an individual to use or disclose protected information, to the extent that such limitation(s), restrictions, changes or revocation may affect GRANTEE's use or disclosure of protected information.
- (d) Not request GRANTEE to use or disclose protected information in any manner that would not be permitted under law if done by STATE.

**5. Disposition of Data upon Completion, Expiration, or Agreement Termination.**

Upon completion, expiration, or termination of this Agreement, GRANTEE will return to STATE or destroy all protected information received or created on behalf of STATE for purposes associated with this Agreement. A written certification of destruction or return to Authorized Representative listed in VII.A is required. GRANTEE will retain no copies of such protected information, provided that if both parties agree that such return or destruction is not feasible, or if GRANTEE is required by the applicable regulation, rule or statutory retention schedule to retain beyond the life of this Agreement, GRANTEE will extend the protections of this Agreement to the protected information and refrain from further use or disclosure of such information, except for those purposes that make return or destruction infeasible, for as long as GRANTEE maintains the information. Additional information for destruction and handling is available in the DHS Information Security Policy, Policy numbers 3.7, and 2.19, found at <http://edocs.dhs.state.mn.us/lfservr/Public/DHS-4683-ENG>.

**6. Sanctions.** In addition to acknowledging and accepting the terms set forth in X Liability of this Agreement relating to liability, the parties acknowledge that violation of the laws and protections described above could result in limitations being placed on future access to protected information, in investigation and imposition of sanctions by the U.S. Department of Health and Human Services, Office for Civil Rights, and/or in civil and criminal penalties.

**XIII. Intellectual Property Rights.**

**Definitions.** *Works* means all inventions, improvements, discoveries (whether or not patentable or copyrightable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the GRANTEE, its employees, agents, and subcontractors, either individually or jointly with others in the performance of the contract. *Works* includes “*Documents*.” *Documents* are the originals of any data

bases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the GRANTEE, its employees, agents, or subcontractors, in the performance of this contract.

**Ownership.** The STATE owns all rights, title, and interest in all of the intellectual property, including copyrights, patents, trade secrets, trademarks, and service marks in the *Works and Documents created and paid for under this contract*. The Works and Documents will be the exclusive property of the STATE and all such Works and Documents must be immediately returned to the STATE by the GRANTEE upon completion or cancellation of this contract. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be “works made for hire.”

### **Responsibilities.**

*Notification.* Whenever any Works or Documents (whether or not patentable) are made or conceived for the first time or actually or constructively reduced to practice by the GRANTEE, including its employees and subcontractors, and are created and paid for under this contract, the GRANTEE will immediately give the STATE'S Authorized Representative written notice thereof, and must promptly furnish the Authorized Representative with complete information and/or disclosure thereon. The GRANTEE will assign all right, title, and interest it may have in the Works and the Documents to the STATE.

*Filing and recording of ownership interests.* The GRANTEE must, at the request of the STATE, execute all papers and perform all other acts necessary to transfer or record the STATE'S ownership interest in the Works and Documents created and paid for under this contract. The GRANTEE must perform all acts, and take all steps necessary to ensure that all intellectual property rights in these Works and Documents are the sole property of the STATE, and that neither GRANTEE nor its employees, agents, or subcontractors retain any interest in and to these Works and Documents.

*Duty not to Infringe on intellectual property rights of others.* The GRANTEE represents and warrants that the Works and Documents created and paid for under this contract do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 10, the GRANTEE will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the STATE, at the GRANTEE'S expense, from any action or claim brought against the STATE to the extent that it is based on a claim that all or part of these Works or Documents infringe upon the intellectual property rights of others. The GRANTEE will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the GRANTEE'S or the STATE'S opinion is likely to arise, the GRANTEE must, at the STATE'S discretion, either procure for the STATE the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of the STATE will be in addition to and not exclusive of other remedies provided by law.

- XIV. **PUBLICITY.** Any publicity given to the program, publications, or services provided resulting from this grant contract, including but not limited to, notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by

or for the GRANTEE or its employees individually or jointly with others or any subcontractors, shall identify the STATE as the sponsoring agency and shall not be released, unless such release is a specific part of an approved work plan included in this grant contract prior to its approval by the State's Authorized Representative.

## XV. **AFFIRMATIVE ACTION and NON-DISCRIMINATION**

**Affirmative Action requirements for Grantees with more than 40 full-time employees and a contract in excess of \$100,000.** If GRANTEE has had more than 40 full-time employees within the State of Minnesota on a single working day during the previous twelve months preceding the date GRANTEE submitted its response to the STATE, it must have an affirmative action plan, approved by the Commissioner of Human Rights of the State of Minnesota, for the employment of qualified minority persons, women and persons with disabilities. See Minnesota Statutes section 363A.36 (2003). If GRANTEE has had more than 40 full-time employees on a single working day during the previous twelve months in the state in which it has its primary place of business, then GRANTEE must **either:** 1) have a current Minnesota certificate of compliance issued by the Minnesota Commissioner of Human Rights; **or** 2) certify that it is in compliance with federal Affirmative Action requirements.

**Affirmative Action and Non-Discrimination requirements for all Grantees:**

- A. The GRANTEE agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified. Minnesota Statutes section 363A.02  
GRANTEE agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.
- B. The GRANTEE must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The GRANTEE agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.  
Minn. Rule 5000.3550
- C. GRANTEE agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

**Notification to employees and other affected parties.** The GRANTEE agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the commissioner of the Minnesota Department of Human Rights. Such notices will state the rights of applicants and employees, and GRANTEE's obligation under the law to take affirmative action to employ and advance in employment qualified minority persons, women, and persons with disabilities.

The GRANTEE will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the GRANTEE

is bound by the terms of Minnesota Statutes, section 363A.36 of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment minority persons, women, and persons with physical and mental disabilities.

**Compliance with Department of Human Rights Statutes.** In the event of GRANTEE's noncompliance with the provisions of this clause, actions for noncompliance may be taken in accordance with Minnesota Statutes 363A.36, and the rules and relevant orders issued pursuant to the Minnesota Human Rights Act.

XVI. **WORKERS' COMPENSATION.** The GRANTEE certifies that it is in compliance with Minnesota Statute section 176.181, subdivision 2, pertaining to workers' compensation insurance coverage. The GRANTEE'S employees and agents will not be considered employees of the STATE. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees or agents and any claims made by any third party as a consequence of any act or omission on the part of these employees or agents are in no way the STATE'S obligation or responsibility.

XVII. **VOTER REGISTRATION REQUIREMENT.** GRANTEE certifies that it will comply with Minnesota Statutes, Section 201.162 by providing voter registration services for its employees and for the public served by the GRANTEE.

XVIII. **OWNERSHIP OF EQUIPMENT.** Disposition of all equipment purchased under this grant shall be in accordance with title 45, code of federal regulations, part 92. For all equipment having a current per unit fair market value of \$5,000 or more, the STATE shall have the right to require transfer of the equipment (including title) to the Federal Government or to an eligible non-Federal party named by the STATE. This right will normally be exercised by the STATE only if the project or program for which the equipment was acquired is transferred from one grantee to another.

XIX. **FEDERAL AUDIT REQUIREMENTS.**

- A. GRANTEE certifies it will comply with the Single Audit Act, and OMB Circular A-133, as applicable. All sub-recipients receiving \$500,000 or more of federal assistance in a fiscal year will obtain a financial and compliance audit made in accordance with the Single Audit Act, or OMB Circular A-133, as applicable. Failure to comply with these requirements could result in forfeiture of federal funds.
- B. If the GRANTEE has an independent audit, a copy of the audit shall be submitted to the STATE. If the GRANTEE is not required to have a single or program-specific audit conducted according to OMB Circular A-133 and it expends \$25,000 or more in federal or state funds, it will have an annual financial statement audit per generally accepted auditing standards. The GRANTEE will submit a copy of the fiscal year audit to the STATE.
- C. Grantees must submit comments on the findings and recommendations in the single audit report and management letter, including a plan for corrective action taken or planned, and comments on the status of corrective action taken on prior findings.

XX. **GRANTEE DEBARMENT INFORMATION.**  
**DEBARMENT BY STATE, ITS DEPARTMENTS, COMMISSIONS, AGENCIES  
OR POLITICAL SUBDIVISIONS**

GRANTEE certifies that neither it nor its principles is presently debarred or suspended by the STATE, or any of its departments, commissions, agencies, or political subdivisions. GRANTEE'S certification is a material representation upon which the grant contract award was based. GRANTEE shall provide immediate written notice to the STATE'S authorized representative if at any time it learns that this certification was erroneous when submitted or becomes erroneous by reason of changed circumstances.

### **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION**

Federal money will be used or may potentially be used to pay for all or part of the work under the grant contract, therefore the GRANTEE must certify the following, as required by the regulations implementing Executive Order 12549. GRANTEE'S certification is a material representation upon which the grant contract award was based.

### **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION- LOWER TEIR COVERED TRANSACTIONS**

#### Instructions for Certification

1. By signing and submitting this grant contract, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this grant contract is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms *covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded*, as used in this clause, have the meaning set out in the Definitions and Coverages sections of rules implementing Executive Order 12549. You may contact the person to which this grant contract is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this response that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this grant contract that it will include this clause titled "Certification Regarding

Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

#### **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION- LOWER TIER COVERED TRANSACTIONS**

1. The prospective lower tier participant certifies, by submission of this grant contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this grant contract.

**XXI. JURISDICTION AND VENUE.** This grant contract, and amendments and supplements thereto, shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this grant contract, or breach thereof, shall be in the state or federal court with competent jurisdiction in Ramsey County, Minnesota.

**XXII. WAIVER.** If the State fails to enforce any provision of this contract, that failure does not waive the provision or the STATE's right to enforce it.

**XXIII. CONTRACT COMPLETE.** This contract contains all negotiations and agreements between the STATE and the GRANTEE. No other understanding regarding this contract, whether written or oral may be used to bind either party.

**XXIV. OTHER PROVISIONS.**

- A. GRANTEE agrees that it will at all times during the term of the Agreement keep in force a general liability insurance policy with the following minimum amounts: \$500,000 for bodily injury or property damage to any one person; and \$1,500,000 for total injuries and/or damages arising from any one incident.
- B. The GRANTEE agrees to keep in force a blanket employee theft/employee dishonesty policy in at least the total amount of the first year's grant award or \$100,000, whichever is less.
- C. GRANTEE agrees that no religious based counseling shall take place under the auspices of this grant.
- D. The GRANTEE shall comply with the Americans with Disabilities Act of 1990 (42 USC 1201) and Section 504 of the Rehabilitation Act of 1973 (29 USC 794), as amended.
- E. The GRANTEE shall comply with minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act.
- F. The GRANTEE shall comply with the provisions of Minnesota Statutes with regard to plain language in written materials.
- G. The GRANTEE shall comply with the provisions of Chapter 15, Title 5 of the United States Code with regard to political activity.
- H. The GRANTEE shall comply with the Drug-Free Workplace Act of 1988 and will provide a drug-free workplace.
- I. The GRANTEE shall establish safeguards to prohibit employees from using their positions for a purpose that is, or gives the appearance of, being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- J. The GRANTEE shall comply with Section 1352, Title 31, U.S.C. which generally prohibits recipients of federal contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant or loan. If applicable, the GRANTEE is required to certify as to its lobbying activity.
- K. Payment to Subcontractors  
(If applicable) As required by Minn. Stat. §16A.1245, the prime GRANTEE must pay all subcontractors, less any retainage, within 10 calendar days of the prime GRANTEE's receipt of payment from the State for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one-half percent per month or any part of a month to the subcontractor(s) on any undisputed amount not paid on time to the subcontractor(s).

- L. When a grantee subgrants to another organization (a subgrantee), all of the DHS/OEO grant requirements shall be included in the grant agreements with the subgrantee and with all additional tiers of subgrantees.
- M. GRANTEE must monitor subgrantees, including for-profit subgrantees through a pre-award survey or a post-award review.
- N. Grantees (and all tiers of subgrantees) must use the federal OMB Circulars A-87, A-110, A-122, A-133, OMB “Common Rule” and others as applicable (including modifications) in the administration of all DHS federal and/or state funded grants.
- O. The GRANTEE shall comply with the Department of Treasury 31 CFR Part 205 (Block Grants), Minnesota Statutes Section 256E.30-256E.32, and the following from Title 45 of the Code of Federal Regulations of Health and Human Services 45 CFR.
  - Part 16- Procedures of the Departmental Grant Appeals Board;
  - Part 30- Claims Collection;
  - Part 76- Debarment and Suspension from Eligibility for Financial Assistance (Noprocurement);
  - Part 80- Nondiscrimination Under Programs Receiving Federal Assistance through the Department of Health and Human Services, Effectuation of Title VI of the Civil Rights Act of 1964;
  - Part 81- Practice and Procedure for Hearings Under Part 80 of this Title;
  - Part 84- Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving Federal Financial Assistance;
  - Part 86- Nondiscrimination on the Basis of Sex in Education Programs and Activities Receiving or Benefiting from Federal Financial Assistance;
  - Part 87- Equal Treatment for Faith-Based Organizations
  - Part 91- Nondiscrimination on the Basis of Age in HHS Programs or Activities Receiving Federal Financial Assistance;
  - Part 93- New Restrictions on Lobbying
  - Part 96 - Block Grants;
  - Part 97- Consolidation of Grants to the Insular Areas;
  - Part 100- Intergovernmental Review of Department of Health and Human Services Program and Activities.
- P. The GRANTEE shall comply (when applicable) with the registration and reporting requirements of Minnesota’s Charities Laws, primarily Minnesota Statutes, Chapter 309, the Minnesota Charitable Solicitation Act.
- Q. The GRANTEE will not use federal funds available under this Agreement to engage in any activities to provide voters and prospective voters with transportation to the polls or provide similar assistance in connection with an election or any voter registration activities.
- R. The GRANTEE will not use federal funds available under this Agreement for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility.

- S. Grantee shall comply with the Sarbanes-Oxley Act which provides protection for whistle-blowers and addresses destruction of litigation-related document.
- T. Grantee shall comply with Minnesota Shelter Survey.

IN WITNESS WHEREOF, the parties have caused this contract to be duly executed intending to be bound thereby.

APPROVED:

**1. STATE ENCUMBRANCE  
VERIFICATION**

*Individual certifies that funds have been encumbered as required by Minn. Stat. 16A and 16C.15*

By
Date
Grant No:

By (with delegated authority)

Title

Date

**2. GRANTEE**

*Signatory is authorized by applicable articles, by-laws, resolutions, or ordinances to sign on behalf of the Grantee.*

By
Title
Date

By
Title
Date

Distribution:

Agency - Original (fully executed)  
contract  
Grantee  
State Authorized Representative

**3. STATE AGENCY**

Grant Contract # GRK%«Grant\_Number»



**OFFICE OF THE LEGISLATIVE AUDITOR  
STATE OF MINNESOTA**

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**FINANCIAL AUDIT DIVISION REPORT**

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**Department of  
Human Services**

**Federal Compliance Audit**

**Year Ended June 30, 2012**

**July 11, 2013**

**Report 13-15**

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FINANCIAL AUDIT DIVISION  
Centennial Building – Suite 140  
658 Cedar Street – Saint Paul, MN 55155  
Telephone: 651-296-4708 • Fax: 651-296-4712  
E-mail: legislative.auditor@state.mn.us  
Web site: <http://www.auditor.leg.state.mn.us>  
Through Minnesota Relay: 1-800-627-3529 or 7-1-1





# OFFICE OF THE LEGISLATIVE AUDITOR

State of Minnesota • James Nobles, Legislative Auditor

July 11, 2013

Senator Roger Reinert, Chair  
Legislative Audit Commission

Members of the Legislative Audit Commission

Lucinda Jesson, Commissioner  
Department of Human Services

This report presents the results of our audit of certain federal financial assistance programs administered by the Department of Human Services during fiscal year 2012. We conducted this audit as part of our audit of the state's compliance with federal program requirements. We emphasize that this has not been a comprehensive audit of the Department of Human Services.

We discussed the results of the audit with department staff at an exit conference on June 24, 2013. This audit was conducted by David Poliseno, CPA, CISA, CFE, (Audit Manager) and Laura Wilson, CPA, CISA, (Auditor-in-Charge), assisted by auditors Tyler Billig, CPA, Jordan Bjornfald, CPA, Cynthia Gaertner, CPA, Tracy Gebhard, CPA, Melanie Greufe, CPA, CFE, Joseph McMahon, CPA, Leah Miller, Kelsey Nistler, CPA, Kathy Rootham, Abdul Suleyman, CPA, and Heather Varez, CPA.

We received the full cooperation of staff from the Department of Human Services while performing this audit.

James R. Nobles  
Legislative Auditor

Cecile M. Ferkul, CPA, CISA  
Deputy Legislative Auditor



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# Report Summary

## Conclusion

The Department of Human Services generally complied with and had internal controls to ensure compliance with certain provisions of laws, regulations, contracts, and grants applicable to its major federal programs for fiscal year 2012. However, as noted in the OLA Report on Information Verification in Eligibility Determinations, the department did not comply with (and did not have adequate internal controls to comply with) federal eligibility requirements for the Medical Assistance Program.<sup>1</sup> In addition, the department had other weaknesses, as noted in findings 1 through 9 in the following *Findings and Recommendations* section (including four repeat findings from last year's audit that were not fully resolved<sup>2</sup>).

## Key Findings

- Prior Finding Partially Resolved: The Department of Human Services did not fully implement controls to ensure it complied with eligibility requirements for two federal programs and did not monitor system overrides for three major programs. ([Finding 1, page 5](#))
- Prior Finding Not Resolved: The Department of Human Services did not fully identify, analyze, and document its internal controls related to compliance with federal single audit requirements. ([Finding 2, page 6](#))
- Prior Finding Partially Resolved: The Department of Human Services did not adequately monitor the counties' efforts to detect fraudulent child care payments and ensure they properly recovered the payments. ([Finding 3, page 7](#))
- The Department of Human Services did not request about \$139 million from the federal government over several years for Medical Assistance Program costs incurred by the state to administer the program. ([Finding 4, page 8](#))
- The Department of Human Services did not consistently reduce recipients' cash assistance benefits when the recipient refused to cooperate with child support enforcement requirements. ([Finding 5, page 9](#))

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<sup>1</sup> Office of the Legislative Auditor's Financial Audit Division Report 13-05, *Department of Human Services*, issued March 26, 2013.

<sup>2</sup> Office of the Legislative Auditor's Financial Audit Division Report 12-07, *Department of Human Services*, issued March 29, 2012.

## **Audit Scope**

Our scope included programs determined to be major federal programs for the State of Minnesota for fiscal year 2012, including Medicaid Cluster, Children's Health Insurance Program, Child Support Enforcement, Child Care Cluster, Social Services Block Grant, Foster Care, Temporary Assistance for Needy Families, and Food and Nutrition Services Cluster.

# Department of Human Services

## Federal Program Overview

The Department of Human Services administered federal programs that we considered major federal programs for the State of Minnesota, subject to audit under the federal Single Audit Act.<sup>3</sup> Table 1 identifies these major federal programs at the Department of Human Services.

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**Table 1**  
**Department of Human Services**  
**Major Federal Programs**  
**Fiscal Year 2012**  
**(in millions)**

<b>Program Name</b>	<b>Federal Expenditures</b>
Medicaid Cluster	\$4,571
Food and Nutrition Services Cluster	808
Temporary Assistance for Needy Families Cluster	272
Child Care Cluster	120
Child Support Enforcement	108
Foster Care – Title IV-E	40
Social Services Block Grant	34
Children's Health Insurance Program	31

Note: Clusters have multiple programs that are administered as separate programs but treated as a single program for the purpose of meeting the audit requirements of the U.S. Office of Management and Budget's Circular A-133. Appendix A, on page 15, lists the corresponding Catalog of Federal Domestic Assistance (CFDA) and federal award numbers.

Source: The state's accounting system.

In March 2013, we completed a special review of the Department of Human Services verification of information used to determine recipients' eligibility for the Medical Assistance, Temporary Assistance to Needy Families, and the Supplemental Nutrition Assistance programs.<sup>4</sup> We conducted this special review to follow up on previous concerns we had about the process used by the department to verify reported social security numbers and incomes. The review found that the department did not adequately verify the social security numbers and incomes reported by participants of MinnesotaCare (a state-created, subsidized health insurance program funded from a state tax on health care providers, federal matching funds, and enrollee premiums), and that the department did not effectively monitor the resolution of income discrepancies.

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<sup>3</sup> We defined a major federal program for the State of Minnesota in accordance with a formula prescribed by the federal Office of Management and Budget as a program or cluster of programs whose expenditures for fiscal year 2012 exceeded \$30 million.

<sup>4</sup> Office of the Legislative Auditor Financial Audit Division Special Review, Report 13-05, *Department of Human Services Information Verification in Eligibility Determinations*, issued March 26, 2013.

We included the results of this special review as part of our overall conclusions about the state's compliance with federal programs.

## Objective, Scope, and Methodology

The objective of our audit was to determine whether the Department of Human Services complied with federal program requirements in its administration of these federal programs for fiscal year 2012. This audit is part of our broader federal single audit designed to obtain reasonable assurance about whether the State of Minnesota complied with the types of compliance requirements that are applicable to each of its federal programs.<sup>5</sup> In addition to specific program requirements, we examined the department's general compliance requirements related to federal assistance, including its cash management practices.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States of America and with the U.S. Office of Management and Budget's *Circular A-133 Compliance Supplement*.

## Conclusion

The Department of Human Services generally complied with and had internal controls to ensure compliance with certain provisions of laws, regulations, contracts, and grants applicable to its major federal programs for fiscal year 2012. However, as noted in the OLA Report on Information Verification in Eligibility Determinations, the department did not comply with (and did not have adequate internal controls to comply with) federal eligibility requirements for the Medical Assistance Program.<sup>6</sup> In addition, the department had other weaknesses, as noted in findings 1 through 9 in the following *Findings and Recommendations* section (including four repeat findings from last year's audit that were not fully resolved<sup>7</sup>).

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<sup>5</sup> The State of Minnesota's single audit includes both the financial statements and the expenditures of federal awards by all state agencies. We issued an unqualified audit opinion, dated March 20, 2013, on the State of Minnesota's basic financial statements for the year ended June 30, 2012. In accordance with *Government Auditing Standards*, we also issued our report on our consideration of the State of Minnesota's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grants. (Office of the Legislative Auditor's Financial Audit Division Report 13-06, *Report on Internal Control Over Statewide Financial Reporting*, issued May 17, 2013.) This report included control deficiencies related to the Department of Human Services.

<sup>6</sup> Office of the Legislative Auditor's Financial Audit Division Report 13-05, *Department of Human Services*, issued March 26, 2013.

<sup>7</sup> Office of the Legislative Auditor's Financial Audit Division Report 12-07, *Department of Human Services*, issued March 29, 2012.

# Findings and Recommendations

**Prior Finding Partially Resolved: The Department of Human Services did not fully implement controls to ensure it complied with eligibility requirements for two federal programs and did not monitor system overrides for three major programs.**

The department designed but did not fully implement quality control reviews over eligibility as part of its oversight to ensure it provided federal program benefits only to eligible recipients for its fiscal year 2012 Temporary Assistance for Needy Families programs (CFDA 93.558 and 93.714) and Child Care Cluster (CFDA 93.575 and 93.596).<sup>8</sup> The department delegated to the counties the responsibility to meet with recipients applying for assistance and determine the appropriate benefits. To verify the accuracy of the county workers' benefit determinations and redeterminations, the department selected random statistical samples of recipient cases and verified that county workers had accurately determined eligibility; however, due to staff turnover at the department, it had not completed the fiscal year 2012 sample cases by January 2013. The department referred errors found during the quality control review to the counties and referred any suspected fraud to the department's Office of Inspector General.

The objective of our testing was to determine whether the department's quality control review was effective in identifying errors made by the county workers and to determine the extent of errors made by county workers. As explained in the following bullets, the department continued to have a higher risk of noncompliance with federal eligibility requirements because it had not implemented its control procedures for fiscal year 2012 eligibility verifications for two of its major federal programs:

- **Temporary Assistance for Needy Families:** As of December 2012, the department had selected for eligibility review 240 case files related to benefits provided in fiscal year 2012. The department began reviewing the cases, but it had not completed its reviews of the cases or reached conclusions about whether eligibility decisions made by county workers complied with the program's federal requirements.<sup>9</sup> We tested 25 of the 240 case files the department included in its testing sample; however, the department had only reviewed 6 of those 25 cases at the time we requested the files. We found no errors in the eligibility determination for the 25 files we tested; however, because the department was significantly behind in their reviews for this program, its internal controls were not effective to ensure consistent compliance with the eligibility requirements.

## Finding 1

<sup>8</sup> See Appendix A, on page 13, for the federal award numbers for these programs.

<sup>9</sup> See the Office of Management and Budget A-133 Compliance Supplement, Temporary Assistance to Needy Families, part 4, letter E, for a list of the federal eligibility requirements.

- **Child Care Cluster:** For fiscal year 2012, the department selected 276 child care cases for review. As of January 2013, the department had reviewed many but not all of the case files. We selected 40 of the 276 case files the department selected for review; the department had reviewed 33 of those 40 files. For 1 of 40 files we tested, the county case worker and the department's first and second level reviewers miscalculated the participant's income, resulting in an undetected overpayment of \$26 each month.

In addition, the department did not adequately monitor certain eligibility determination overrides done by county workers in the eligibility systems for the Medical Assistance (CFDA 93.778), Temporary Assistance for Needy Families, and Child Care Assistance programs. When county workers encountered unusual or extenuating circumstances, they could override the automated system's benefit determinations. The automated systems provided override reports for the counties to review, but the Department of Human Services did not ensure counties reviewed the reports as a way to verify that the overrides were appropriate. Since March 2012, the department designed a database to enable them to generate reports to analyze and monitor the counties' override activity for these programs to identify unusual trends, errors, or potential fraud. However, as of January 2013, the department had not finalized the database reports or made the database available to the department's program staff.

#### *Recommendations*

- *The department should ensure that its quality review process detects and resolves eligibility discrepancies.*
- *The department should continue to implement controls to monitor the specific eligibility overrides related to the Medical Assistance, Temporary Assistance for Needy Families, and Child Care Assistance programs.*

## Finding 2

**Prior Finding Not Resolved: The Department of Human Services did not fully identify, analyze, and document its internal controls related to compliance with federal single audit requirements.**

The department has made little progress since 2009, when we first reported this deficiency, to develop and document a comprehensive risk assessment regarding internal controls over compliance with federal single audit requirements for its major federal programs.<sup>10</sup> In response to the prior finding we repeated in our March 2012 audit report, the department estimated that it would resolve the

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<sup>10</sup> This finding affects all major federal programs identified in Table 1 except the Social Services Block Grant. See Appendix A, on page 13, for the federal award numbers for these programs. It also applies to federal programs that were major programs in fiscal year 2009, but not in fiscal years 2010 through 2012, including Adoption Assistance (CFDA 93.659) and Substance Abuse (CFDA 93.959).

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finding by March 31, 2013. Although in fiscal year 2012, it did complete a comprehensive risk assessment for the federal Social Services Block Grant Program, it had not done so for any of its other major federal programs listed in Table 1, including Medical Assistance, for which it received over \$4.6 billion in fiscal year 2012.

The federal Office of Management and Budget, Circular A-133, outlines the state's responsibilities for managing federal assistance programs and addresses general compliance requirements and program specific requirements. The circular requires the state to maintain internal controls over federal programs and to follow up and take corrective action on audit findings.<sup>11</sup> In addition, state policy requires agencies to document its internal control procedures over financial management activities (including compliance with federal program requirements), including the department's analysis of risks and periodic evaluation of control procedures to ensure they are adequately designed, properly implemented, and functioning effectively.<sup>12</sup>

The findings in this report identify deficiencies in the department's internal control procedures and significant ongoing noncompliance with federal requirements that the department's internal control structure did not prevent or detect. If the department had a comprehensive internal control structure, it may have identified these deficiencies, assessed the degree of risk for these deficiencies, designed control procedures to address significant risk, and monitored whether controls were working as designed and effective in reducing the risks to an acceptably low level. It is likely that the department will continue to have noncompliance and weaknesses in internal controls over compliance until it operates within a comprehensive internal control structure.

#### *Recommendation*

- *The department should complete its review and documentation of its risks, control activities, and internal control and monitoring functions for its key financial and compliance processes related to major federal programs.*

#### **Prior Finding Partially Resolved: The Department of Human Services did not adequately monitor the counties' efforts to detect fraudulent child care payments and ensure they properly recovered the payments.**

## **Finding 3**

The department did not have adequate controls in place to monitor whether the counties identified and collected fraudulent payments from the Child Care Assistance Program (CFDA 93.575 and 93.596).<sup>13</sup> The department delegated the

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<sup>11</sup> U.S. Office of Management and Budget Circular A-133, subpart C - Auditees, section .300(b).

<sup>12</sup> Department of Management and Budget Policy 0102-01, *Internal Controls*.

<sup>13</sup> See Appendix A, on page 13, for the federal award numbers for these programs.

fraud detection and payment collection responsibilities to the counties but did not adequately monitor the counties to ensure they followed the department's procedures for detecting fraud and recovering wrongful payments.<sup>14</sup> Federal regulations require the state to recover fraudulent child care payments from the party responsible for committing the fraud.<sup>15</sup>

In response to our prior finding, the department estimated that it would resolve the finding by September 30, 2012. Since our last audit, the department designed monitoring controls over the counties' fraud detection and payment collections; however, as of February 2013, the department had not implemented those controls. Without adequate monitoring controls, the department could not ensure the counties were complying with the federal regulations.

#### *Recommendation*

- *The department should complete its implementation of controls to ensure counties are making adequate efforts to identify and collect fraudulent child care payments.*

## **Finding 4**

**The Department of Human Services did not request about \$139 million from the federal government over several years for Medical Assistance Program costs incurred by the state to administer the program.**

Over several years, the department did not request from the federal government sufficient money to reimburse the state for the federal share of Medical Assistance costs; by June 30, 2011, the deficiency accumulated to \$139 million. Although the department worked with the federal government and was reimbursed for the costs in November 2012, the error resulted in a prior period adjustment on the state's financial statements.

The department identified the unreimbursed costs when the state started using a new accounting system. Although the department compared program expenditures to the federal reimbursement amounts at the end of each grant period, information in the old accounting system was not sufficient to allow analysis at the detailed grant award level. When staff started doing the analysis for the fiscal year 2012 grant awards using information from the new accounting system, they suspected that they may have underclaimed federal awards in past years, prompting a thorough review of grant awards, expenditures, reimbursements, and the identification of the \$139 million unreimbursed costs.

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<sup>14</sup> Child Care Assistance Program Policy Manual, Chapters 4 and 14.

<sup>15</sup> 45 Code of Federal Regulations, section 98.60(i).

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*Recommendation*

- *The department should ensure that it requests reimbursement from the federal government for the full federal share of program costs.*

**The Department of Human Services did not consistently reduce recipients' cash assistance benefits when the recipient refused to cooperate with child support enforcement requirements.****Finding 5**

The department did not reduce Temporary Assistance for Needy Families (CDFA 93.558 and 93.714) cash assistance benefits for 4 of 25 recipients tested who refused to cooperate with child support enforcement requirements.<sup>16</sup> Federal regulations require state agencies to reduce recipients' cash assistant benefits by no less than 25 percent when the recipient refuses to cooperate with establishing paternity, or establishing, modifying or enforcing a support order with respect to a child of the recipient.<sup>17</sup> The department used the child support enforcement system to send notification messages to county workers through the department's eligibility system when custodial parents initially refused to cooperate with child support enforcement requirements; however, because of an error in computer programming, those notification messages were not sent when the recipient's case file in the child support enforcement system predated the recipient's case file in the eligibility system. Federal regulations allow the federal Department of Health and Human Services to penalize states for failure to substantially comply with these sanction requirements.<sup>18</sup>

*Recommendation*

- *The department should ensure it sanctions the cash assistance benefits for recipients that do not cooperate with the child support enforcement requirements.*

**The Department of Human Services submitted an erroneous financial report to the federal government for its Child Care Cluster Program.****Finding 6**

The department overstated the total expenditures in the June 30, 2012, *Child Care and Development Fund Financial Report*<sup>19</sup> by \$2 million (CFDA 93.575 and 93.596<sup>20</sup>). A formula error resulted in the department double-counting an amount it recorded in a line item, resulting in the fourth quarter's report being overstated

<sup>16</sup> See Appendix A, on page 13, for the federal award numbers for these programs.

<sup>17</sup> 45 Code of Federal Regulations, section 264.30.

<sup>18</sup> 45 Code of Federal Regulations, section 264.31.

<sup>19</sup> ACF – 696 report.

<sup>20</sup> See Appendix A, on page 13, for the federal award numbers for these programs.

by about \$2 million. Because of the formula error in the electronic worksheet the department used to prepare the report, the department erroneously reported expenditures at \$53.5 million instead of \$51.5 million. The department did not have an adequate review of the report to ensure its accuracy.

*Recommendation*

- *The department should ensure that it submits accurate financial reports to the federal government.*

## Finding 7

### The Department of Human Services did not consistently review a key payroll report.

The department did not consistently review the self service time entry audit report from the state's payroll system for its central office employees. The department used federal funds for payroll costs in the Temporary Assistance for Needy Families (CFDA 93.558), Supplemental Nutrition Assistance Administration (CFDA 10.561), Child Care Cluster (CFDA 93.575 and 93.596), Foster Care (CFDA 93.658), and Social Services Block Grant (CFDA 93.667) programs.<sup>21</sup> The report identifies two types of time reporting exceptions – employees who did not complete their own timesheets and timesheets approved by a backup supervisor rather than the primary supervisor. The Department of Management and Budget's policy states that, "The best control over the integrity of employees' payroll information is achieved when employees prepare their own timesheets and supervisors, who have direct knowledge of employees' work, review and approve timesheets."<sup>22</sup>

To mitigate the risk that the payroll hours included on the self service time entry audit report may not reflect hours actually worked or authorized for payment, the policy requires state agencies to review, at a minimum, a representative sample of transactions appearing on the report each pay period and perform a comprehensive review of the report each quarter.

During July 2011 through February 2012, the department did not review the payroll reports for its central office employees and, between March and June 2012, the department reviewed two of the four reports we asked about. By not reviewing this key payroll report, the department cannot ensure it correctly compensated its employees.

*Recommendation*

- *The Department of Human Services should review the self service time entry audit report each pay period to ensure that employees are completing their own timesheets, and the primary supervisors are approving the time.*

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<sup>21</sup> See Appendix A, on page 13, for the federal award numbers for these programs.

<sup>22</sup> Minnesota Management and Budget Policy PAY0017.

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**Prior Finding Partially Resolved: The Department of Human Services did not obtain the Data Universal Numbering System (DUNS) numbers from its subrecipients and did not communicate all federal award information to some of its subrecipients.**

The department did not obtain the Data Universal Numbering System (DUNS) numbers from its subrecipients for the following programs: Medical Assistance (CFDA 93.777 and 93.778), Children's Health Insurance Program (CFDA 93.767), Child Care Cluster (CFDA 93.575 and 93.596), Child Support Enforcement (CFDA 93.563), Social Services Block Grant (CFDA 93.667), Foster Care (CDFA 93.568), Temporary Assistance for Needy Families (CFDA 93.558 and 93.714), and Supplemental Nutrition Assistance Program (CFDA 10.551 and 10.561).<sup>23</sup> Federal regulations require state agencies to obtain the valid DUNS number from its subrecipients before issuing subawards.<sup>24</sup>

In addition, the department did not identify the federal award information to some Temporary Assistance for Needy Families and Supplemental Nutrition Assistance programs subrecipients at the time of the grant award. Federal regulations require the department to provide the CFDA title and number along with the federal award name and number to all subrecipients as part of its subaward application process.<sup>25</sup> Since the last audit, the department implemented procedures to ensure it communicated the award name and numbers to the counties; however, it did not always inform the other subrecipients of the federal award information for these two federal programs.

*Recommendations*

- *The department should obtain the DUNS numbers from subrecipients when making subawards.*
- *The department should identify to the subrecipient, at the time of the award, the federal award name and number.*

**The Department of Human Services did not consistently reconcile the nonfederal funds paid from its child support enforcement system to the state's accounting system.**

The department did not consistently reconcile the nonfederal fund financial activity in its child support enforcement system to the state's accounting system to

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## Finding 8

## Finding 9

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<sup>23</sup> See Appendix A for the federal award numbers for these programs.

<sup>24</sup> 2 Code of Federal Regulations, section 25.200, and Appendix A to 2 Code of Federal Regulations, section 25.

<sup>25</sup> 2 Code of Federal Regulations, section 176.210(c), and Office of Management and Budget A-133 Circular, section .400(d).

ensure accurate financial information, as required by state policy.<sup>26</sup> During fiscal year 2012, the department reconciled the federal funds each month but only reconciled the general and agency funds for 3 of the 12 months. Without a complete reconciliation of all the financial activity, the department cannot ensure the integrity of its accounting records. The department processed about \$534 million of child support enforcement-related payments in fiscal year 2012.

*Recommendation*

- *The department should reconcile all financial activity in its child support enforcement system to the state's accounting system.*

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<sup>26</sup> Department of Management and Budget Policy Number 0102-01, *Internal Controls*.

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**Appendix A**  
**Major Federal Programs**  
**Department of Human Services**  
**Fiscal Year 2012**

<u>CFDA<sup>1</sup></u>	<u>Program Name</u>	<u>Federal Award Number</u>
	Food and Nutrition Services Cluster	
10.551	Supplemental Nutrition Assistance Program	2011IS601842, 2011IS604542, 2011ID281142, 2011ID282142, 2012IS601842, 2012IS604542, 2012ID281142, 2012ID282142, 2012IS802642
10.561	Supplemental Nutrition Assistance Administration	2011IS251442, 2011IS803642, 2011IS251942, 2011IS252042, 2011Q390342, 2011IE251842, 20118E251842, 2012IS251442, 2012IS803642, 2012IS251942, 2012IS252042, 2012IS750342, 2012IE251842, 2012IS820442, 2012IN254542
	Temporary Assistance for Needy Families Cluster	
93.558	Temporary Assistance for Needy Families	1102MNTANF, 1202MNTANF
93.714	Emergency Contingency Fund for Temporary Assistance for Needy Families State Programs ARRA	1001MNTAN2
	Child Support Enforcement	1004MN4004, 1104MN4004, 1204MN4005
	Child Care Cluster	
93.575	Child Care and Development Block Grant	1101MNCCDF
93.596	Child Care Mandatory and Matching Fund	1101MNCCDF, 1201MNCCDF
	Foster Care – Title IV-E	1001MN1401, 1101MN1401, 1201MN1401
93.667	Social Services Block Grant	1101MNSOSR, 1201MNSOSR
93.767	Children's Health Insurance Program	1005MN5021, 1105MN5021
	Medicaid Cluster	
93.775	State Medical Fraud Control Units	01-1101-MN-5050, 011301MN5050
93.777	State Health Care Providers Survey	1105MN5001, 1205MN5001
93.778	Medical Assistance Program	1105MN5028 (1105MN5MAP), 1105MN5048 (1105MN5ADM) 1205MN5MAP, 1205MN5ADM

Source: The state accounting system and staff at the Department of Human Services.





## Minnesota Department of **Human Services**

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July 1, 2013

James R. Nobles, Legislative Auditor  
Office of the Legislative Auditor  
Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

Dear Mr. Nobles:

Thank you for the opportunity to review and comment on the findings in the Department of Human Services Federal Compliance Audit for fiscal year ending June 30, 2012. We appreciate and value the thorough examination of our major federal programs, and enjoyed working with your dedicated and professional staff during this audit.

The department is working hard to resolve the issues noted, and is committed to creating and maintaining a comprehensive control environment. Below are the department's response to the findings and recommendations in the 2012 Federal Compliance Audit.

### **Audit Finding #1**

**Prior Finding Partially Resolved:** The Department of Human Services did not fully implement controls to ensure it complied with eligibility requirements for two federal programs and did not monitor system overrides for three major programs.

### **Audit Recommendation #1**

#### *Recommendations*

- *The department should ensure that its quality review process detects and resolves eligibility discrepancies.*
- *The department should continue to implement controls to monitor the specific eligibility overrides related to the Medical Assistance, Temporary Assistance for Needy Families, and Child Care Assistance programs.*

**Department of Human Services'**  
**Response to the Legislative Audit Report titled**  
*The Department of Human Services*  
***Federal Compliance Audit Year Ended June 30, 2012***

**Agency Response to Audit Recommendation #1-1**

The department agrees with this finding and recommendation. We will continue to refine and improve our process of conducting eligibility reviews for all federal programs, and will resolve this issue for our Temporary Assistance for Needy Families and Child Care Assistance programs.

Person Responsible: Gary L. Johnson, Director of Internal Audits

Estimated Completion Date: December 31, 2014

**Agency Response to Audit Recommendation #1-2**

The department agrees with this recommendation. A bulletin to counties identifying available reports for monitoring overrides and providing instructions for county supervisors will be published in the summer of 2013.

Persons Responsible: Mary Orr, Director of Community Partnerships and Child Care Services  
Mark Toogood, Director of Transition to Economic Stability  
Karen Gibson, Director of Health Care and Eligibility and Access

Estimated Completion Date: September 30, 2013

**Audit Finding #2**

**Prior Finding Not Resolved:** The Department of Human Services did not fully identify, analyze, and document its internal controls related to compliance with federal single audit requirements.

**Audit Recommendation #2**

*Recommendation*

- *The department should complete its review and documentation of its risks, control activities, and internal control and monitoring functions for its key financial and compliance processes related to major federal programs.*

**Agency Response to Audit Recommendation #2**

The department agrees that we have not resolved the prior finding with regard to conducting risk assessments regarding internal controls over compliance with federal single audit requirements for our major federal programs. Since 2009, when this finding was first reported, the department has hired an enterprise risk management coordinator, chartered an Enterprise Risk Management Planning Team, and invested in considerable training (in conjunction with the Minnesota Management and Budget (MMB) Internal Controls and Accountability Unit) within the department on Risk Assessment Methodology and Internal Control Awareness.

**Department of Human Services'**  
**Response to the Legislative Audit Report titled**  
*The Department of Human Services*  
**Federal Compliance Audit Year Ended June 30, 2012**

While there is substantial work ahead, the department has made significant progress in terms of building capacity and momentum for meeting this requirement. As noted, the department did complete a comprehensive risk assessment of the federal Social Services Block Grant Program in 2012, and the assessment of SNAP is currently underway. The department has developed a multi-year risk assessment plan to be submitted to MMB as part of our annual Control Environment Self-Assessment. By December 2014, the department anticipates completing all major federal program risk assessments except for Medical Assistance (MA). MA risk assessments are being planned using the MITA business architecture to map the high-level process and identify core functions/processes used to administer the program and deliver services. Some MA risk assessments may be done in conjunction with MNsure risk assessments.

Person Responsible: Greg Gray, Chief Compliance Officer  
Estimated Completion Date: December 31, 2015

### **Audit Finding #3**

**Prior Finding Partially Resolved:** The Department of Human Services did not adequately monitor the counties' efforts to detect fraudulent child care payments and ensure they properly recovered the payments.

### **Audit Recommendation #3**

#### *Recommendation*

- *The department should complete its implementation of controls to ensure counties are making adequate efforts to identify and collect fraudulent child care payments.*

### **Agency Response to Audit Recommendation #3**

The department agrees with the finding and recommendation. The department will complete implementation of controls to ensure counties are making adequate efforts to identify and collect fraudulent child care payments including:

- Reinforcing, through instructions to counties, the process for making referrals to the Fraud Prevention Investigation (FPI) program or county criminal investigation staff;
- Providing guidance to counties on implementation of actions related to child care payments authorized under Minnesota Statutes, section 119B.13, subdivision 6(d);
- Monitoring reports at the state level to identify potential fraudulent payments and the recovery of overpayments;
- Providing instructions to counties for monitoring reports to ensure overpayments are recovered; and
- Implementing 2013 legislative changes related to child care provider fraud.

Persons responsible: Mary Orr, Director of Community Partnerships and Child Care Services  
Vicki Kunerth, Deputy Inspector General

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**Department of Human Services'  
Response to the Legislative Audit Report titled  
*The Department of Human Services*  
*Federal Compliance Audit Year Ended June 30, 2012***

Estimated completion date: December 31, 2013

**Audit Finding #4**

The Department of Human Services did not request about \$139 million from the federal government over several years for Medical Assistance Program costs incurred by the state to administer the program.

**Audit Recommendation #4**

*Recommendation*

- *The department should ensure that it requests reimbursement from the federal government for the full federal share of program costs.*

**Agency Response to Audit Recommendation #4**

The department agrees with this finding and recommendation, and has implemented procedures to ensure it requests reimbursement for the full federal share of program costs.

Persons Responsible: Martin Cammack, Financial Operations Director

Estimated Completion Date: Completed

**Audit Finding #5**

The Department of Human Services did not consistently reduce recipients' cash assistance benefits when the recipient refused to cooperate with child support enforcement requirements.

**Audit Recommendation #5**

*Recommendation*

- *The department should ensure it sanctions the cash assistance benefits for recipients that do not cooperate with the child support enforcement requirements.*

**Agency Response to Audit Recommendation #5**

The department agrees with the finding and recommendation. The department will complete implementation of controls to ensure counties are making adequate efforts to appropriately modify cash assistance payments to meet child support enforcement requirements. These will include DHS staff monitoring of monthly reports to assure appropriate case actions are taken, working with MN.IT for programming PRISM to produce an alert or edit that would remind or require the child support worker to remove sanctions in appropriate MFIP re-application situations, and notifying MFIP and Child Support staff to remind them of sanction policy when a client reapplies for MFIP.

**Department of Human Services'  
Response to the Legislative Audit Report titled  
*The Department of Human Services*  
Federal Compliance Audit Year Ended June 30, 2012**

Persons responsible:      Mark Toogood, Director of Transition to Economic Stability  
                                  Jeff Jorgenson Director of Child Support Enforcement Division  
Estimated completion date: December 31, 2013

**Audit Finding #6**

The Department of Human Services submitted an erroneous financial report to the federal government for its Child Care Cluster Program.

**Audit Recommendation #6**

*Recommendation*

- *The department should ensure that it submits accurate financial reports to the federal government.*

**Agency Response to Audit Recommendation #6**

The department agrees with this finding and recommendation and will continue to work at improving processes to complete and submit federal reports accurately and timely.

Persons Responsible:      Martin Cammack, Financial Operations Director  
Estimated Completion Date: December 31, 2013

**Audit Finding #7**

The Department of Human Services did not consistently review a key payroll report.

**Audit Recommendation #7**

*Recommendation*

- *The Department of Human Services should review the self-service time entry audit report each pay period to ensure that employees are completing their own timesheets, and the primary supervisors are approving the time.*

**Agency Response to Audit Recommendation #7**

The Department agrees with this finding and recommendation. To address this finding we have developed bi-weekly checklists for use by payroll staff to ensure all required reports are reviewed. We have also documented the process to be followed when reviewing the self-service time entry audit report.

Persons Responsible:      Martin Cammack, Financial Operations Director  
Estimated Completion Date: Completed

**Department of Human Services'  
Response to the Legislative Audit Report titled  
*The Department of Human Services*  
*Federal Compliance Audit Year Ended June 30, 2012***

**Audit Finding #8**

**Prior Finding Partially Resolved:** The Department of Human Services did not obtain the Data Universal Numbering System (DUNS) numbers from its subrecipients and did not communicate all federal award information to some of its sub recipients.

**Audit Recommendations #8**

- *The department should obtain the DUNS numbers from subrecipients when making subawards.*
- *The department should identify to the subrecipient, at the time of the award, the federal award name and number.*

**Agency Response to Audit Recommendation #8**

The department agrees with the finding and recommendations to obtain the DUNS numbers from subrecipients when making subawards and will continue to work at implementing this processes. The department agrees with the recommendation to provide the federal award name and number to subrecipients at the time of the grant award. This is currently done for counties and we will continue to work on expansion to include grantees other than counties.

Persons Responsible: Martin Cammack, Financial Operations Director  
Estimated Completion Date: December 31, 2013

**Audit Finding #9**

The Department of Human Services did not consistently reconcile the nonfederal funds paid from its child support enforcement system to the state's accounting system.

**Audit Recommendation #9**

- *The department should reconcile all financial activity in its child support enforcement system to the state's accounting system.*

**Agency Response to Audit Recommendation #9**

The department agrees with this finding and recommendation and will develop a reconciliation process between the PRISM child support enforcement system and SWIFT.

Persons Responsible: Martin Cammack, Financial Operations Director  
Estimated Completion Date: December 31, 2013

**Department of Human Services'**  
**Response to the Legislative Audit Report titled**  
*The Department of Human Services*  
**Federal Compliance Audit Year Ended June 30, 2012**

Thank you again for the professional and dedicated efforts of your staff during this audit. The Department of Human Services policy is to follow up on all audit findings to evaluate the progress being made to resolve them. Progress is monitored until full resolution has occurred. If you have any further questions, please contact Gary L. Johnson, Internal Audit Director, at (651) 431-3623.

Sincerely,



Lucinda E. Jesson  
Commissioner