


# Minnesota Attorney General: Administrative Rules Proceedings

## Copyright Notice:

This material may be protected by copyright law (U.S. Code, Title 17). Researchers are liable for any infringement. For more information, visit www.mnhs.org/copyright.

Version 3
August 20, 2018

419

James A. Jorgenson,
Special Assistant
Attorney General
4th Floor Centennial Building

June 9, 1978

Miller

/ Adopted Amendments to Rule 56 of the DPW, State Financial Participation in County Welfare Costs of Administration.

June 9, 1978

James A. Jorgensen,
Special Assistant
Attorney General
4th Floor Centennial Building

/ Adopted Amendments to Rule 56 of the DPW, State Financial Participation in County Welfare Costs of Administration.

cc to Duane Vanes

STATEMENT OF COMPLIANCE WITH

MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General James A. Jorgensen, do hereby declare that I have examined the proposed rules and all related documents and that, based on them and my personal familiarity with the applicable procedures, the Manual of Rule Making Procedures has been followed. Any exceptions are noted below.

James A. Jorgensen
Special Assistant Attorney General

Dated: May 1, 1978

EXHIBIT C

AMENDMENTS INCORPORATED IN RULE 56 AS ADOPTED:

In Section C of the Rule, the second sentence, insert the words "based upon earnings" after the words "prorata reduction in payments."

In Section D of the Rule, the last word of the sentence, "reimburseable" which is incorrectly spelled is changed to read "reimbursable" which is the correct spelling of that word.

Exhibit D

DPW 56 State Financial Participation in County Welfare Administration Cost

A. This rule governs State financial participation in County Welfare costs of administration as authorized by Minnesota Statutes 256D.22.

B. The purposes of this rule are to provide: 1. A system of calculating state reimbursement for certain County Welfare Administrative costs, 2. Property tax relief by providing state financing for certain County Welfare Administrative costs.

C. Subject to the provisions herein, the Department of Public Welfare shall reimburse counties on a quarterly basis up to 50 per cent of all salary expenses incurred and paid by the counties in providing financial assistance and social services in connection with all public assistance programs and for which no other payment or Federal reimbursement has been made. If the appropriation is insufficient to pay all approved claims the Commissioner of the Department of Public Welfare shall make a pro-rata reduction in payments based upon earnings. Such reimbursement may be available for salary expenses of employees of the county welfare agency who are permanent; probationary; provisional limited term; when such employee is filling an established job while the incumbent is on leave; and for intermittent or trainees, when such trainees are employed on a full time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period.

1. No reimbursement shall be made for salary costs of a. single county welfare directors; b. fiscal personnel and their supporting clerical staff who spent 30 percent or more of their time-involvement in the processing of public assistance claims and payments; c. emergency employees, trainees other than those defined above as eligible for reimbursement, consultants, Emergency Employment Act personnel and any other non-regularly assigned employees.

2. Reimbursement for salary expenses shall be limited to regular compensation not in excess of that paid similarly situated state employees; the employer's cost of hospitalization, medical and major medical

health insurance, Social Security, Public Employees Retirement Association and Municipal Employees Retirement Association, life insurance, disability insurance, unemployment compensation and workman's compensation. No reimbursement shall be made for travel or any other reimbursable expenses including bonuses.

3. The Merit System Supervisor shall after consultation with appropriate state personnel and appropriate personnel from other civil service systems, which have been approved by the Federal Civil Service Commission to cover county welfare personnel in Minnesota, develop comparability schedules between positions in all county welfare departments and classes established by the State Personnel Department or its successor. In making such schedules the likeness of job duties and qualifications shall be considered.

   a. Such comparability schedules shall apply to welfare personnel under the Minnesota Merit System, Hennepin County Personnel Department, St. Louis County Civil Service Department, Ramsey County Civil Service or under any other civil service system approved in the future by the Federal Civil Service Commission to cover county welfare personnel in the state.

   b. As new classes are established by the Minnesota Merit System, the Hennepin County Personnel Department, the St. Louis County Civil Service Department, the Ramsey County Civil Service Department or by any other approved civil service system for welfare personnel, the Merit System Supervisor shall determine the comparability of the new class to a state personnel class and incorporate the new class into the comparability schedule. Comparability may be determined on an aggregate formula basis. In instances where the county welfare department is not covered by the Minnesota Merit System, it shall be the responsibility of the director of the county welfare agency requesting the new classification to notify the supervisor prior to the establishment of the new class.

   c. The Merit System Supervisor shall conduct a review of any changes in state personnel classifications and/or compensation plans each time these schedules change and make such changes in the comparability schedule as appropriate. In making the review, input

shall be requested and used from state personnel department personnel as well as from personnel of other concerned civil service systems. The review shall be completed within one month after the state personnel schedules change and if needed, new schedules printed and distributed within two months.

d. Decisions of the Merit System Supervisor in developing the original comparability schedules and in making revisions to them shall be appealable to the Merit System Council under the provision of DPW Rule No. 108 (f) (1). The decision of the Merit System Council shall be final.

D. Within 30 days after the end of each calendar quarter, each county welfare agency is required to submit figures showing the total number of employees whose salary is reimbursable along with the total amount reimbursable.

APPROVED AS TO FORM AND LEGALITY

JUN 8 1978 19

WARREN SPANNAUS, ATTORNEY GENERAL

BY /s/ Michael S. Miller

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JUN 8 1978
Joan Anderson Growe
Secretary of State
4:00 P.M.

419 - WELFARE

RULES REVIEW CHECKLIST

DATE RULES RECEIVED 5/3 Temporary Rule —

Resubmitted and Received _____

DUE DATE 5/23

a. Returned to Agency w/o filing w/Secy of State _____
b. Approved _____ Date Sent Back to Agency _____

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

1. Rules as Adopted ✓
2. Rules as Proposed ✓
3. Certificate of Board's Authorizing Resolution, where applicable —
4. Order for Hearing ✓
5. Notice of Hearing ✓
   (i) Sufficiency OK
6. Secretary of State's List ✓ Cert. of Del. of SS List —
7. Certificate of Acquisition of Secretary of State's List ✓
8. Affidavit of Mailing ✓
   (i) At least 30 days prior to hearing ✓
9. Statement of Need and Evidence ✓
10. Hearing Examiner's Report ✓
11. Agency's Findings of Fact NO — But Order Adopting Rule adopts H/E Report
12. Certificate of Board's Resolution Adopting Rules, where applicable —
13. Order Adopting ✓
14. Report of Chief Hearing Examiner ✓
    (i) Finding of No Substantial Change ✓
    (ii) Permission to Incorporate by Reference, where applicable —
15. Certificate of Compliance with Rulemaking Procedures ✓
16. Copy of Notice of Intent to Solicit Outside Opinion, where applicable —
17. Petition by Public, where applicable —.

Problems: 56(c)(3) - ~~schedule should be part of rule or covered by stds.~~ - w/ "consider"
~~What is ref. to prop. tax relief~~
~~Uniformity from county to county?~~
~~What are amdts.?~~ - old rule?

~~Finding of crucially~~

w/ part of amdt.

OK

EXHIBIT C

AMENDMENTS INCORPORATED IN RULE 56 AS ADOPTED:

In Section C of the Rule, the second sentence, insert the words "based upon earnings" after the words "prorata reduction in payments."

In Section D of the Rule, the last word of the sentence, "reimburseable" which is incorrectly spelled is changed to read "reimbursable" which is the correct spelling of that word.

Exhibit D

DPW 56 State Financial Participation in County Welfare Administration Cost

A. This rule governs State financial participation in County Welfare costs of administration as authorized by Minnesota Statutes 256D.22.

B. The purposes of this rule are to provide: 1. A system of calculating state reimbursement for certain County Welfare Administrative costs, 2. Property tax relief by providing state financing for certain County Welfare Administrative costs.

C. Subject to the provisions herein, the Department of Public Welfare shall reimburse counties on a quarterly basis up to 50 per cent of all salary expenses incurred and paid by the counties in providing financial assistance and social services in connection with all public assistance programs and for which no other payment or Federal reimbursement has been made. If the appropriation is insufficient to pay all approved claims the Commissioner of the Department of Public Welfare shall make a pro-rata reduction in payments based upon earnings. Such reimbursement may be available for salary expenses of employees of the county welfare agency who are permanent; probationary; provisional limited term; when such employee is filling an established job while the incumbent is on leave; and for intermittent or trainees, when such trainees are employed on a full time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period.

1. No reimbursement shall be made for salary costs of a. single county welfare directors; b. fiscal personnel and their supporting clerical staff who spent 30 percent or more of their time-involvement in the processing of public assistance claims and payments; c. emergency employees, trainees other than those defined above as eligible for reimbursement, consultants, Emergency Employment Act personnel and any other non-regularly assigned employees.

2. Reimbursement for salary expenses shall be limited to regular compensation not in excess of that paid similarly situated state employees; the employer's cost of hospitalization, medical and major medical

health insurance, Social Security, Public Employees Retirement Association and Municipal Employees Retirement Association, life insurance, disability insurance, unemployment compensation and workman's compensation. No reimbursement shall be made for travel or any other reimbursable expenses including bonuses.

3. The Merit System Supervisor shall after consultation with appropriate state personnel and appropriate personnel from other civil service systems, which have been approved by the Federal Civil Service Commission to cover county welfare personnel in Minnesota, develop comparability schedules between positions in all county welfare departments and classes established by the State Personnel Department or its successor. In making such schedules the likeness of job duties and qualifications shall be considered.

   a. Such comparability schedules shall apply to welfare personnel under the Minnesota Merit System, Hennepin County Personnel Department, St. Louis County Civil Service Department, Ramsey County Civil Service or under any other civil service system approved in the future by the Federal Civil Service Commission to cover county welfare personnel in the state.

   b. As new classes are established by the Minnesota Merit System, the Hennepin County Personnel Department, the St. Louis County Civil Service Department, the Ramsey County Civil Service Department or by any other approved civil service system for welfare personnel, the Merit System Supervisor shall determine the comparability of the new class to a state personnel class and incorporate the new class into the comparability schedule. Comparability may be determined on an aggregate formula basis. In instances where the county welfare department is not covered by the Minnesota Merit System, it shall be the responsibility of the director of the county welfare agency requesting the new classification to notify the supervisor prior to the establishment of the new class.

   c. The Merit System Supervisor shall conduct a review of any changes in state personnel classifications and/or compensation plans each time these schedules change and make such changes in the comparability schedule as appropriate. In making the review, input

shall be requested and used from state personnel department personnel as well as from personnel of other concerned civil service systems. The review shall be completed within one month after the state personnel schedules change and if needed, new schedules printed and distributed within two months.

d. Decisions of the Merit System Supervisor in developing the original comparability schedules and in making revisions to them shall be appealable to the Merit System Council under the provision of DPW Rule No. 108 (f) (1). The decision of the Merit System Council shall be final.

D. Within 30 days after the end of each calendar quarter, each county welfare agency is required to submit figures showing the total number of employees whose salary is reimbursable along with the total amount reimbursable.

DPW 56 State Financial Participation in County Welfare Administration Cost

~~(a)~~ A. This rule governs State financial participation in County Welfare costs of administration as authorized by ~~Article XXI, Chapter 650, Minnesota Laws of 1973.~~ Minnesota Statutes 256D.22.

~~(b)~~ B. The purposes of this rule are ~~(1)~~ to provide:
1. a A system of calculating state reimbursement for certain County Welfare Administrative costs, ~~(2)~~ 2. Property ~~to provide property~~ tax relief by providing state financing for certain County Welfare Administrative costs.

~~(c)~~ C. Subject to the provisions herein, the Department of Public Welfare shall reimburse counties on a quarterly basis up to 50 per cent of all salary expenses ~~approved by the Commissioner,~~ incurred and paid by the counties in providing financial assistance and social services in connection with all public assistance programs and for which no other payment or Federal reimbursement has been made. If the appropriation is insufficient to pay all approved claims the Commissioner of the Department of Public Welfare shall make a pro-rata reduction in payments. Such reimbursement may be available for salary expenses of employees of the county welfare agency who are permanent; probationary; provisional limited term-;when such employee is filling an established job while the incumbent is on leave; and for intermittent or trainees, when such trainees are employed on a full time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period.

~~(1)~~ 1. No reimbursement shall be made for salary costs of ~~(aa)~~ a. single county welfare directors; ~~except to directors of multi-county agencies organized in accordance with law;~~ ~~(bb)~~ b. fiscal personnel and their supporting clerical staff who spent 30 per cent or more of their time involvement in the processing of public assistance claims and payments; ~~(cc)~~ c. emergency employees, trainees other than those defined above as eligible for reimbursement, consultants, Emergency Employment Act personnel and any other non-regularly assigned employees.

~~(2)~~ 2. Reimbursement for salary expenses shall be limited to regular compensation not in excess of that paid similarly situated state employees; the employer's cost of hospitalization, medical and major medical health insurance, Social Security, Public Employees Retirement Association and Municipal Employees Retirement Association, life insurance, disability insurance, unemployment compensation and workman's compensation. No reimbursement shall be made for travel or any other reimbursable expenses including bonuses.

~~(3)~~ 3. The Merit System Supervisor shall after consultation with appropriate state ~~civil services~~ personnel and appropriate personnel from other civil service systems, which have been approved by the Federal Civil Service Commission to cover county welfare personnel in Minnesota, develop comparability schedules between positions in all county welfare departments and classes established by the State ~~Civil Service~~ Personnel Department or its successor. In making such schedules the likeness of job duties and qualifications shall be considered.

~~(aa)~~ a. Such comparability schedules shall apply to welfare personnel under the Minnesota Merit System, Hennepin County Personnel Department, St. Louis County Civil Service Department, Ramsey County Civil Service or under any other civil service system approved in the future by the Federal Civil Service Commission to cover county welfare personnel in the state.

~~(bb)~~ b. As new classes are established by the Minnesota Merit System, the Hennepin County Personnel Department, the St. Louis County Civil Service Department, the Ramsey County Civil Service Department or by any other approved civil service system for welfare personnel, the Merit System Supervisor shall determine the comparability of the new class to a state ~~civil-service~~ personnel class and incorporate the new class into the comparability schedule. Comparability may be determined on an aggregate formula basis. In instances where the county welfare department is not covered by the Minnesota Merit System, it shall be the responsibility of the director of the county welfare agency requesting the new classification to notify the supervisor prior to the establishment of the new class.

~~(ee)~~ c. The Merit System Supervisor shall conduct ~~each-year~~ a review of any changes in state ~~civil-service~~ personnel classifications and/or compensation plans each time these schedules change and make such changes in the comparability schedule as appropriate. In making the review, input shall be requested and used from state ~~civil-service~~ personnel department personnel as well as from personnel of other concerned civil service systems. The review shall be completed ~~by June-30-of-each-year~~ within one month after the state personnel schedules change and if needed, new schedules printed and distributed ~~no-later than-July-15~~ within two months.

~~(dd)~~ d. Decisions of the Merit System Supervisor in developing the original comparability schedules and in making revisions to them shall be appealable to the Merit System Council under the provision of DPW Rule No. 108 (f) (1). The decision of the Merit System Council shall be final.

~~(d) The-total-amount-of-reimbursement-to-any-county-welfare-agency-for-a-quarter will-be-limited-to-50%-of-the-figure-obtained-by-averaging-the-agency's expenses-for-salaries,-as-defined-as-reimburseable-above,-for-the-first-quarter (January,-February,-and-March)-and-the-second-quarter-(April,-May,-and-June) of-1973-plus-10-per-cent,-except-as-provided-in-(d)-(3).~~

~~(1) Each-county-welfare-agency-shall-compute-what-their-reimburseable-expenses would-have-been-had-all-their-authorized-positions-been-filled-for-the-first and-second-quarter-of-1973,-taking-into-consideration-all-the-reimbursable and-non-reimbursable-salary-items-listed-in-the-Rule-and-the-comparability-scheduled-and-average-the-first-and-second-quarter-totals.--The-resultant figure-shall-be-submitted-to-the-State-Agency-by-January-1,-1973-along-with the-number-of-authorized-positions-and-subject-to-future-audit,-will-become a-basis-for-determining-the-amount-of-state-reimbursement-in-future-quarters.~~

~~(2)~~ D Within 30 days after the end of each calendar quarter, each county welfare agency is required to submit figures showing the total number of employees whose salary is reimbursable ~~reimburseable~~ along with the total amount reimburseable. ~~If-the-reimburseable-salary-is-in-excess-of-the-average-of the-figure-submitted-for-January-through-March-and-April-through-June,-1973, periods-plus-10-per-cent-and-the-approved-complement-is-in-excess-of-that approved-as-of-June-30,-1973,-the-amount-of-the-state's-reimbursement-to-the ageney,-for-the-quarter-in-which-such-excess-occurs,-shall-be-reduced-by-an amount-equal-to-50-per-cent-of-the-amount-of-the-excess-caused-by-costs-of employees-hired-in-addition-to-the-base-complement.--The-limitation-contained in-this-section-expires-January-1,-1975.~~

~~(3) While-reimbursement-to-a-county-welfare-agency-will-be-limited-as-indicated-a bove-exceptions-will-be-made-for-agencies-incorporating-township-system-personnel employing-food-stamp-quality-control-personnel-or-employing-additional-personnel approved-by-the-State-for-reimbursement.~~

~~(e) The-effective-date-of-this-Rule-is-January-1,-1974.~~

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

RECEIVED
DEC 15 1977
OFFICE OF HEARING
EXAMINERS

IN THE MATTER OF THE PROPOSED ADOPTION OF AMENDMENTS TO RULES OF THE DEPARTMENT OF PUBLIC WELFARE GOVERNING STATE FINANCIAL PARTICIPATION IN COUNTY WELFARE COSTS OF ADMINISTRATION, RULE 56

ORDER FOR HEARING

IT IS HEREBY ORDERED that a public hearing on the above-captioned rules be held in the Veterans Service Building, Room D, 20 West 12th Street and Columbus Avenue, St. Paul, Minnesota, 55155, on January 20, 1978, commencing at 9:00 A.M. and continuing until all persons have had an opportunity to be heard.

IT IS FURTHER ORDERED that a Notice of Hearing be mailed to all persons or representatives of associations or other interested groups who have registered their names with the Secretary of State for that purpose.

IT IS FURTHER ORDERED that the Notice of Hearing be published in the State Register

Edward J. Dirkswager, Jr.
Commissioner

Date: Nov 23, 1977

Dept's Exhibit No. E
File No.
Date

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED ADOPTION OF AMENDMENTS TO RULES OF THE DEPARTMENT OF PUBLIC WELFARE GOVERNING STATE FINANCIAL PARTICIPATION IN COUNTY WELFARE COSTS OF ADMINISTRATION, RULE 56

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that a public hearing in the above-entitled matter will be held in the Veterans Service Building, Room D, 20 West 12th Street and Columbus Avenue, St. Paul, Minnesota, 55155, on January 20, 1978, commencing at 9:00 A.M. and continuing until all persons have had an opportunity to be heard.

All interested or affected persons will have an opportunity to participate. Statements may be made orally and written materials may be submitted at the hearing. In addition, written materials may be submitted by mail to Steve Mihalchick, Office of Hearing Examiners, 1745 University Avenue, St. Paul, Minnesota, 55104, (612) 296-8112, either before the hearing or within five working days after the public hearing ends, or for a longer period not to exceed 20 days if ordered by the hearing examiner.

The State Financial Participation in County Welfare Costs Program, Rule 56, is designed to provide property tax relief by state financing of certain County Welfare Administrative Costs. The proposed amendments to Rule 56 provides for a revised formula in determining the earnings and equitable distribution of state administrative aid. A copy of the rule is included with this Notice of Hearing.

Copies of the proposed rule are now available and one free copy may be obtained by writing to Richard Neumann, Minnesota Department of Public Welfare, Fourth Floor, Centennial Office Building, St. Paul, Minnesota, 55155, (612) 296-4832. Additional copies will be available at the door on the date of the hearing. The agency's authority to promulgate the proposed rule is contained in Minn, Stat. 256D.22. A "statement of need" explaining why the agency feels the proposed rule is necessary and a "statement of evidence" outlining the testimony they will be introducing will be filed with the Hearing Examiners Office at least 25 days prior to the hearing and will be available there for public inspection.

Please be advised that Minn. Stat. Chapter 10A, requires each lobbyist to register with the Ethical Practices Board within five days after he commences lobbying. Lobbying includes attempting to influence rule making by communicating or urging others to communicate with public officials. A lobbyist is generally any individual who spends more than $250 per year for lobbying or any individual who is engaged for pay or authorized to spend money by another individual or association and who spends more than $250 per year or five hours per month at lobbying. The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota, 55155, phone number (612) 296-5615.

Edward J. Dirkswager

EDWARD J. DIRKSWAGER, JR.
Commissioner

Dated: November 14, 1977

RECEIVED
DEC 15 1977
OFFICE OF HEARING
EXAMINERS

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED ADOPTION OF AMENDMENTS TO RULES OF THE DEPARTMENT OF PUBLIC WELFARE GOVERNING STATE FINANCIAL PARTICIPATION IN COUNTY WELFARE COSTS OF ADMINISTRATION, RULE 56

AFFIDAVIT OF RECEIPT OF THE SECRETARY OF STATE'S LIST

Jacqueline Sue Wierstad, being duly sworn on oath deposes and says:

1) That she is an employee of the Executive Division of the State of Minnesota.

2) That on the 1st day of December, she went to the Secretary of State's office for the State of Minnesota and requested a current list of all representatives of associations or other interested groups or persons who had registered their names with the Secretary of State for the purpose of obtaining notices of public hearings relating to the promulgation of rules pursuant to M.S. 15.0412.

3) That on the 1st day of December, in response to the above request, the Secretary of State provided her with such a list, a copy of which is attached hereto and incorporated by reference.

Further affiant sayeth not.

Jacqueline Sue Wierstad

Subscribed and sworn to before me this 1 day of December, 1977

Notary Public,

Ramsey County, Minnesota

My Commission expires Sept 22, 1984

Dept's Exhibit No. I
File No.
Date

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

RECEIVED
DEC 15 1977
OFFICE OF HEARING EXAMINERS

IN THE MATTER OF THE PROPOSED ADOPTION OF AMENDMENTS TO RULES OF THE DEPARTMENT OF PUBLIC WELFARE GOVERNING STATE FINANCIAL PARTICIPATION IN COUNTY WELFARE COSTS OF ADMINISTRATION, RULE 56

CERTIFICATE OF DELIVERY
SECRETARY
OF STATE LIST

I hereby certify that the attached 481 Labels, 4 sheets constitute the complete list of persons, associations, and other interested groups who as of 8:30 o'clock A M., this 1st day of DECEMBER, 1977, have requested pursuant to M.S. 1976, 15.0412 Subd. 4, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed rules on the subject captioned above.

SECRETARY OF STATE

Joan Anderson Growe

By Cheri L. Mattson

Dept's Exhibit No. J
File No.
Date

RECEIVED
DEC 15 1977
OFFICE OF HEARING
EXAMINERS

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED ADOPTION OF RULE 56 OF THE DEPARTMENT OF PUBLIC WELFARE, GOVERNING STATE FINANCIAL PARTICIPATION IN COUNTY WELFARE COSTS OF ADMINISTRATION

AFFIDAVIT OF ADDITIONAL MAILING

JACQUELINE SUE WIERSTAD, being first duly sworn, deposes and says:

That on the 5th day of December, 1977, at the City of St. Paul, County of Ramsey, State of Minnesota, in addition to mailing the attached Notice of Hearing to all persons and associations listed on the Secretary of State's list, she also served the attached Notice of Hearing by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid to the following agencies:

All Minnesota County Welfare Departments
All Minnesota Human Service Boards
All Minnesota Area Mental Health Boards
All Minnesota State Hospitals

Jacqueline Sue Wierstad

Subscribed and sworn to before me
this 6th day of December
1977.

Margaret Hatt

NOTARY PUBLIC, MINNESOTA

Dept's Exhibit No. H
File No.
Date

FISCAL STATEMENT

$12,100,000 for FY78 and $12,184,700 for FY 79 have been appropriated for state financial participation in county welfare administration costs. The amount of the appropriation will not be affected by the changes on DPW Rule 56.

RECEIVED
DEC 15 1977
OFFICE OF HEARING
EXAMINERS

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED ADOTION
OF AMENDMENTS TO RULE 56 OF THE
DEPARTMENT OF PUBLIC WELFARE,
STATE FINANCIAL PARTICIPATION IN COUNTY
WELFARE COSTS OF ADMINISTRATION.

STATEMENT OF EVIDENCE

In addition to the "Statement of Need" which is available for inspection or purchase at the Office of Hearing Examiners, 1745 University Ave., St. Paul, MN, 55104 and in support thereof the Department of Public Welfare will introduce the following evidence:

That Rule 56 establishes a system of calculating state reimbursement of certain county welfare administrative costs. The form of the proposed rule has been altered to provide a better organized rule.

That need to adopt the amendment eliminating most of Section d arises because of the inability to distribute the entire appropriation under the provisions of the current rule. Under the provisions of Section d of the existing rule, the earnings equalled $12,791,589.21 during the eighteen month period January 1, 1974 - June 30, 1975 (the original period eligible for state administrative reimbursement). When the eighteen month figure is annualized it becomes $8,527,726.14 which is the maximum amount of earnings under the current rule assuming the federal share remains at the same percentage. The exception granted in Section d (3) does not appreciably increase the maximum earnings. The maximum earning figure described above is far under the current year appropriation of $12,100,000.

Since the legislative intent is to spend the entire appropriation the limitations outlined in Section d must either be altered or eliminated. If Section d is eliminated the earnings will easily exceed the appropriation and allow for its entire distribution. Since all positions, with the exception of those specifically excluded by the law, will be used to determine the earnings for each county welfare department, all counties will be treated equitably. The force which will insure that the individual counties hire staff only when needed is the knowledge that the appropriation is limited and full reimbursement will not be received for additional staff.

We will call the following expect witness to testify:

Richard P. Neumann, County Pre-Audit Supervisor DPW, will explain all the amendments to the existing rule.

We will be citing the following statute:

MINNESOTA STATUTES 256D.22.

Dated: December 14 1977

Edward J. Dirkswager
Commissioner

Dept's Exhibit No. 1

File No.

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED ADOPTION
OF AMENDMENTS TO RULE 56 OF THE
DEPARTMENT OF PUBLIC WELFARE
STATE FINANCIAL PARTICIPATION IN COUNTY
WELFARE COSTS OF ADMINISTRATION.

STATEMENT OF NEED

The above captioned rule contains amendments to an existing rule of the Department of Public Welfare.

These are the first amendments to the above captioned rule since it was put into effect January 1, 1974.

Rule 56 establishes a system of calculating state reimbursement of certain county welfare administrative costs. The form of the proposed rule has been altered to provide a better organized rule.

Section A. has been changed to cite the statute reference.

Section B. has been changed to provide better sentence structure.

Section C. has been changed 1)because approval of the Commissioner is not needed for the counties to incur and pay salary expenses and 2)"of the Department of Public Welfare" was added to clarify which Commissioner has jurisdiction over reduction in payments.

Section C.1. has been changed to provide better sentence structure.

Section C.3. has been changed to reflect the change in the name of the State Civil Service Department.

Section C.3.a. has been changed to recognize the addition of a civil service department in Ramsey County.

Section C.3.b. same changes as in Sections C.3. and C.3.a.

Section C.3.c. has been changed 1)to reflect the change in the name of the State Civil Service Department and 2)to require the Merit System Supervisor to update the comparability schedules within two months of changes in the state personnel classifications, which will give much more current comparability schedules.

The need to adopt the amendment eliminating most of Section d arises because of the inability to distribute the entire appropriation under the provisions of the current rule. Under the provisions of Section d of the existing rule, the earnings equalled $12,791,589.21 during the eighteen month period January 1, 1974 - June 30, 1975 (the original period eligible for state administrative reimbursement). When the

eighteen month figure is annualized it becomes $8,527,726.14 which is the maximum amount of earnings under the current rule assuming the federal share remains at the same percentage. The exception granted in Section d (3) does not appreciably increase the maximum earnings. The maximum earning figure described above is far under the current year appropriation of $12,100,000.

Since the legislative intent is to spend the entire appropriation the limitations outlined in Section d must either be altered or eliminated. If Section d is eliminated the earnings will easily exceed the appropriation and allow for its entire distribution. Since all positions, with the exception of those specifically excluded by the law, will be used to determine the earnings for each county welfare department, all counties will be treated equitably. The force which will insure that the individual counties hire staff only when needed is the knowledge that the appropriation is limited and full reimbursement will not be received for additional staff.

December 5, 1977

Edward N. Dirkswager, Jr.
Commissioner

EXHIBIT B

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE DEPARTMENT OF PUBLIC WELFARE

In the Matter of the Proposed Adoption of Amendments to Rule 56 of the Department of Public Welfare, State Financial Participation in County Welfare Costs of Administration.

REPORT OF HEARING EXAMINER

The above-entitled matter came on for hearing in St. Paul on January 20, 1978, before Steve M. Mihalchick, Hearing Examiner assigned by the Chief Hearing Examiner.

This is a rule hearing pursuant to Minn. Stat. Ch. 15, to determine whether the amendments to Rule 56 of the Department of Public Welfare should be adopted.

Richard P. Neuman, County Pre-Audit Supervisor, and James Jorgenson, Special Assistant Attorney General, appeared for the Department of Public Welfare. Four persons attending the hearing signed the hearing register. The hearing continued until all interested persons had an opportunity to participate.

Pursuant to Minn. Stat. § 15.0412, subd. 4, this Report shall be available for review to all affected individuals upon request for at least five days.

The Department shall, if it proposes to adopt the rules as originally proposed or amended, submit the complete hearing record, including its Findings and Order, to the Chief Hearing Examiner no earlier than five days subsequent to the receipt of this Report. This submission shall clearly indicate any changes made to the rules as originally proposed, preferably in the format that will be submitted to the State Register for publication. The Chief Hearing Examiner shall complete his review and submit his report to the Department on the issues of substantial changes in the rule and compliance with Minn. Stat. § 15.0412 within ten calendar days. Thereafter, the Department shall be responsible for filing the rules with the Attorney General and for notifying persons who have indicated that they wish to be notified of such filing.

Based upon all the records and proceedings herein, the Examiner makes the following:

## FINDINGS OF FACT

### PROCEDURAL REQUIREMENTS

1. On December 5, 1977, a Notice of Hearing and a copy of the proposed rules were published at 2 State Register 1100 and mailed to all persons and associations who had registered their names with the Secretary of State for the purpose of receiving such notice.

2. On December 7, 1977, the Department filed the following documents with the Chief Hearing Examiner:

(a) A copy of the proposed rules;
(b) A proposed Order for Hearing;
(c) A proposed Notice of Hearing.

3. On December 15, 1977, the Department filed the following documents:

(a) The Order for Hearing;
(b) The Notice of Hearing as mailed;
(c) The Affidavit of Receipt of the Secretary of State's list;
(d) The Affidavit of Mailing;
(e) The Secretary of State's Certificate and list;
(f) The Statement of Need;
(g) The Statement of Evidence, including the names of witnesses to be called;
(h) The names of Department personnel who will represent the agency;
(i) The Affidavit of Additional mailing; and
(j) The Fiscal Statement.

The documents were available for inspection at the Office of Hearing Examiners from the date of filing to the date of the hearing.

4. The record remained open through January 27, 1978, for the receipt of written comments and statements.

### STATUTORY AUTHORITY, NEED, AND REASONABLENESS

5. Minn. Stat. § 256D.22 provides:

> To the extent of appropriations available therefor, the department of public welfare shall reimburse counties up to 50 percent of all salary expenses, approved by the commissioner, incurred and paid by the counties, for which no payment or reimbursement is made by the United States or any subdivision thereof, in administering, and salary administrative costs in providing services in connection with, all public assistance programs. No aid under this section shall be paid for salary costs of (a) single-county welfare directors; or (b) fiscal support personnel to the extent involved in the processing

> of public assistance claims and payments, or their supporting clerical staff; or (c) persons who are not regularly assigned employees of local agencies. Claims for reimbursement for expenditures made by the county shall be presented to the department by the respective counties at least four times per year in such manner as the commissioner shall prescribe. For the purposes of this section, the term "salary" shall include regular compensation not in excess of that paid similarly situated state employees, the employer's cost of health benefits and contributions to the appropriate retirement system, but shall include travel or other reimbursable expenses. The commissioner shall, pursuant to the administrative procedures act, prior to making any payments, promulgate rules to implement this section.

This statute provides the authority for Rule 56.

6. The Examiner adopts the Department's Statement of Need as his Findings demonstrating the Department's need for and reasonableness of the rule. The Statement is attached. The Statement was filed 25 days prior to the hearing and was read in its entirety at the hearing. With but one exception, there were no objections to the proposed rules or justifications given.

7. It was proposed at the hearing that the second sentence of DPW 56 C. be further amended to read:

> If the appropriation is insufficient to pay all approved claims the Commissioner of the Department of Public Welfare shall make a pro-rata reduction in payments based upon earnings.

8. The Department expressed a willingness at the hearing to accept the proposed amendment. The Department believed that the sentence in question would allow for the reduction in payments "based upon earnings" but agreed that the addition of these words would clarify that meaning.

9. Mr. P. S. Serrano, Director of Stearns County Social Service Center, commented that small counties are penalized under Minn. DPW 56 C.1. as compared to large counties. This is because the salaries of Social Welfare Supervisors I and II are reimbursable, but the salaries of Directors I and II are not. Implicit in his comment is that small counties lack comparable funding to pay the Directors' salaries as in larger counties.

10. Mr. Serrano's second comment is directed at Minn. DPW 56 C.3. which states that salary comparability schedules shall be set-up by the Merit System Supervisor for all county welfare positions. Because of the maximum dollar limits set by the

Merit System, Welfare Directors III are paid the same monthly salary as Social Work Division Supervisors. Mr. Serrano criticizes the maximum limit because responsibility of an entire agency is superior to division level responsibility and because counties not using the Merit System can exceed the limit. In addition, local elective officials may attempt to reduce the number of Welfare Director positions because their salaries are not reimbursed.

11. In his written comment, Mr. Serrano does recognize that the legislature is the governing body to implement these types of changes in the rule. It exceeds the Department's authority as granted in Minn. Stat. § 256D.22 to make any changes as suggested by Mr. Serrano's comment.

CONCLUSIONS

1. Due, timely, and adequate notice of the hearing was properly served and published by the Department. All other substantive and procedural requirements have been fulfilled.

2. The Department has demonstrated its statutory authority to adopt the proposed amendments.

3. The Department has demonstrated the need for and reasonableness of the proposed amendments by an affirmative presentation of facts.

RECOMMENDATION

The Hearing Examiner recommends that the proposed amendments be modified as suggested in Finding No. 7, and that, so modified, they be adopted.

Dated this 16th day of February, 1978.

STEVE M. MIHALCHICK
Hearing Examiner

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE
CENTENNIAL OFFICE BUILDING
ST. PAUL, MINNESOTA 55101

April 7, 1978

Mr. Duane R. Harves
Chief Hearing Examiner
Minnesota Office of Hearing
Examiners
1745 University Ave., Room 300
St. Paul, Minnesota 55104

Re: DPW-78-039-SM

Dear Mr. Harves:

Transmitted herewith is an order for adoption of Rule DPW-56 governing State financial participation in County Welfare administration cost. Included in the matter transmitted is a copy of Hearing Examiner Mihalchick's report on the rule hearing, a copy of the rule as amended in the light of the hearing testimony and a spelling error, and a copy of the rule as proposed at the time of hearing.

We have amended the rule as suggested by the testimony, and we are of the opinion that the amendments are not substantial changes requiring further hearing.

We request your certification that the amendments to the rule, being non-substantial in nature, require no further hearing.

Sincerely,

Edward J. Dirkswager, Jr.
Commissioner

Attachments

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

In the Matter of the Proposed Amendments to Rule 56 of the Minnesota Department of of Public Welfare, State Financial Participation in County Welfare Costs of Administration.

ORDER ADOPTING RULE

The above-entitled matter came on for hearing before Mr. Steve M. Mihalchick, Hearing Examiner, Office of Hearing Examiners of the State of Minnesota on the Twentieth day of January, 1978, at 9:00 a.m. in the Veterans Service Building, Room D, St. Paul, Minnesota, after proper notice required by Minn. Stat. § 15.0412, subd. 4 (1976) as amended by Laws 1977, was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

At said hearing proposed amendments to the above-captioned rule was considered as originally proposed as shown in the attached Exhibit A hereto. Mr. Richard P. Neuman, County Pre-Audit Supervisor, made the Agency presentation at the hearing. Four persons attending the hearing signed the register. The hearing continued until all interested groups and persons had an opportunity to be heard. Based upon the proceedings as indicated in the Report of Hearing Examiner, dated February 16, 1978, a

copy of which is attached as Exhibit B hereto, the Hearing Examiner made Findings of Fact, Conclusions and Recommendations.

Pursuant to Minnesota Statutes § 15.0412, subd. 4 (1976) as amended by Laws 1977, Chapter 443, said Report has been available to all affected persons for over five days subsequent to the date of the Report.

After affording interested persons an opportunity to present written and/or oral statements, having reviewed all of the testimony, having considered all of the evidence adduced, having considered the report of the Hearing Examiner, and upon all the proceedings and testimony herein and applicable statutory standards or criteria, and having determined the need for the above-captioned rules and the reasonableness thereof.

NOW THEREFORE, IT IS ORDERED THAT the Commissioner hereby

1) adopts and incorporates herein the Report of the Hearing Examiner, dated February 16, 1978, and
2) adopts the proposed amendments to the above-entitled rules which amendments are listed in the attached Exhibit C.

IT IS FURTHER ORDERED THAT the above-captioned rules from and after this day of April 6, 1978, shall read in their

entirety as set forth in the attached Exhibit D, hereto, pursuant to the authority vested in me pursuant to Minnesota Statutes, Chapters 15 and 256.

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

Edward J. Dirkswager, Jr.
Commissioner

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS
ROOM 300 – 1745 UNIVERSITY AVENUE
ST. PAUL, MINNESOTA 55104
(612) 296-6910

RECEIVED
APR 14 1978
LEGAL
SERVICES

April 11, 1978

Mr. Edward J. Dirkswager, Jr.
Commissioner
Department of Public Welfare
Centennial Office Building
St. Paul, Minnesota 55101

Re: In the Matter of the Proposed Adoption of Amendments to Rule 56 of the Department of Public Welfare, State Financial Participation in County Welfare Costs of Administration. DPW-78-039-SM

Dear Commissioner Dirkswager:

Enclosed please find the documents which you submitted to us for review on the issue of substantial change, together with the Report of the Chief Hearing Examiner, pursuant to Minn. Stat. § 15.052, Subd. 3.

The enclosures consist of the following:

1. Report of the Chief Hearing Examiner
2. Order Adopting Rule
3. Exhibits A through D

Yours very truly,

Duane R. Harves

DUANE R. HARVES
Chief Hearing Examiner

DRH:sh
Encs.

PW-78-039-SM

RECEIVED
APR 14 1978
LEGAL
SERVICES

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED ADOPTION OF AMENDMENTS TO RULE 56 OF THE DEPARTMENT OF PUBLIC WELFARE, STATE FINANCIAL PARTICIPATION IN COUNTY WELFARE COSTS OF ADMINISTRATION.

REPORT OF THE CHIEF HEARING EXAMINER

WHEREAS, a hearing was held on January 20, 1978, before Steve M. Mihalchick, a Hearing Examiner of the State Office of Hearing Examiners, on the above-entitled matter in compliance with Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Report of Hearing Examiner made pursuant to Minn. Stat. § 15.052, Subd. 3, was issued to the Department of Public Welfare on February 16, 1978; and

WHEREAS, the Department of Public Welfare has now determined to adopt the rule pursuant to Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Department of Public Welfare has submitted said rule to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, Subd. 4, and Rule HE 107; and

WHEREAS, the Chief Hearing Examiner finds that the final proposed rule is not substantially different from that proposed at the public hearing and that the Department of Public Welfare has met all requirements of Minn. Stat. § 15.0412, Subd. 4.

NOW, THEREFORE, upon receipt of this Report, the Department of Public Welfare has the responsibility of submitting the complete hearing record and the rule as adopted by the Department to the Attorney General and to publish in the State Register, all pursuant to Minn. Stat. § 15.0412, Subd. 4.

Dated this 11th day of April, 1978.

Duane R. Harves

DUANE R. HARVES
Chief Hearing Examiner