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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **522**

01/31/2019 Authored by Kunes-Podein, Liebling, Noor, Schultz, Wagenius and others
The bill was read for the first time and referred to the Committee on Health and Human Services Policy
03/11/2019 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to human services; modifying MFIP sanctions and hardship extensions;
1.3 amending Minnesota Statutes 2018, sections 256J.425, subdivisions 1, 4, 5, 7;
1.4 256J.46, subdivision 1; repealing Minnesota Statutes 2018, sections 256J.425,
1.5 subdivision 6; 256J.46, subdivisions 2, 2a.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2018, section 256J.425, subdivision 1, is amended to read:

1.8 Subdivision 1. **Eligibility.** (a) To be eligible for a hardship extension, a participant in
1.9 an assistance unit subject to the time limit under section 256J.42, subdivision 1, must be in
1.10 compliance in the participant's 60th counted month. For purposes of determining eligibility
1.11 for a hardship extension, a participant is in compliance in any month that the participant
1.12 has not been sanctioned. In order to maintain eligibility for any of the hardship extension
1.13 categories a participant shall develop and comply with either an employment plan or a
1.14 family stabilization services plan, whichever is appropriate.

1.15 (b) If one participant in a two-parent assistance unit is determined to be ineligible for a
1.16 hardship extension, the county shall give the assistance unit the option of disqualifying the
1.17 ineligible participant from MFIP. In that case, the assistance unit shall be treated as a
1.18 one-parent assistance unit.

1.19 ~~(c) Prior to denying an extension, the county must review the sanction status and~~
1.20 ~~determine whether the sanction is appropriate or if good cause exists under section 256J.57.~~
1.21 ~~If the sanction was inappropriately applied or the participant is granted a good cause~~
1.22 ~~exception before the end of month 60, the participant shall be considered for an extension.~~

1.23 **EFFECTIVE DATE.** This section is effective November 1, 2020.

2.1 Sec. 2. Minnesota Statutes 2018, section 256J.425, subdivision 4, is amended to read:

2.2 Subd. 4. **Employed participants.** (a) An assistance unit subject to the time limit under
2.3 section 256J.42, subdivision 1, is eligible to receive assistance under a hardship extension
2.4 if the participant who reached the time limit belongs to:

2.5 (1) a one-parent assistance unit in which the participant is participating in work activities
2.6 for at least 30 hours per week, of which an average of at least 25 hours per week every
2.7 month are spent participating in employment;

2.8 (2) a two-parent assistance unit in which the participants are participating in work
2.9 activities for at least 55 hours per week, of which an average of at least 45 hours per week
2.10 every month are spent participating in employment; or

2.11 (3) an assistance unit in which a participant is participating in employment for fewer
2.12 hours than those specified in clause (1), and the participant submits verification from a
2.13 qualified professional, in a form acceptable to the commissioner, stating that the number
2.14 of hours the participant may work is limited due to illness or disability, as long as the
2.15 participant is participating in employment for at least the number of hours specified by the
2.16 qualified professional. The participant must be following the treatment recommendations
2.17 of the qualified professional providing the verification. The commissioner shall develop a
2.18 form to be completed and signed by the qualified professional, documenting the diagnosis
2.19 and any additional information necessary to document the functional limitations of the
2.20 participant that limit work hours. If the participant is part of a two-parent assistance unit,
2.21 the other parent must be treated as a one-parent assistance unit for purposes of meeting the
2.22 work requirements under this subdivision.

2.23 (b) For purposes of this section, employment means:

2.24 (1) unsubsidized employment under section 256J.49, subdivision 13, clause (1);

2.25 (2) subsidized employment under section 256J.49, subdivision 13, clause (2);

2.26 (3) on-the-job training under section 256J.49, subdivision 13, clause (2);

2.27 (4) an apprenticeship under section 256J.49, subdivision 13, clause (1);

2.28 (5) supported work under section 256J.49, subdivision 13, clause (2);

2.29 (6) a combination of clauses (1) to (5); or

2.30 (7) child care under section 256J.49, subdivision 13, clause (7), if it is in combination
2.31 with paid employment.

3.1 (c) If a participant is complying with a child protection plan under chapter 260C, the
3.2 number of hours required under the child protection plan count toward the number of hours
3.3 required under this subdivision.

3.4 (d) The county shall provide the opportunity for subsidized employment to participants
3.5 needing that type of employment within available appropriations.

3.6 ~~(e) To be eligible for a hardship extension for employed participants under this~~
3.7 ~~subdivision, a participant must be in compliance for at least ten out of the 12 months the~~
3.8 ~~participant received MFIP immediately preceding the participant's 61st month on assistance.~~
3.9 ~~If ten or fewer months of eligibility for TANF assistance remain at the time the participant~~
3.10 ~~from another state applies for assistance, the participant must be in compliance every month.~~

3.11 ~~(f)~~ (e) The employment plan developed under section 256J.521, subdivision 2, for
3.12 participants under this subdivision must contain at least the minimum number of hours
3.13 specified in paragraph (a) for the purpose of meeting the requirements for an extension
3.14 under this subdivision. The job counselor and the participant must sign the employment
3.15 plan to indicate agreement between the job counselor and the participant on the contents of
3.16 the plan.

3.17 ~~(g)~~ (f) Participants who fail to meet the requirements in paragraph (a), without good
3.18 cause under section 256J.57, shall be sanctioned or ~~permanently disqualified under~~
3.19 ~~subdivision 6. Good cause may only be granted for that portion of the month for which the~~
3.20 ~~good cause reason applies~~ closed. Participants must meet all remaining requirements in the
3.21 approved employment plan or be subject to sanction or ~~permanent disqualification~~ closure.

3.22 ~~(h)~~ (g) If the noncompliance with an employment plan is due to the involuntary loss of
3.23 employment, the participant is exempt from the hourly employment requirement under this
3.24 subdivision for one month. Participants must meet all remaining requirements in the approved
3.25 employment plan or be subject to sanction or ~~permanent disqualification~~ closure.

3.26 **EFFECTIVE DATE.** This section is effective November 1, 2020.

3.27 Sec. 3. Minnesota Statutes 2018, section 256J.425, subdivision 5, is amended to read:

3.28 Subd. 5. **Accrual of certain exempt months.** (a) Participants who are not eligible for
3.29 assistance under a hardship extension under this section shall be eligible for a hardship
3.30 extension for a period of time equal to the number of months that were counted toward the
3.31 60-month time limit while the participant was a caregiver with a child or an adult in the
3.32 household who meets the disability or medical criteria for home care services under section
3.33 256B.0651, subdivision 1, paragraph (c), or a home and community-based waiver services

4.1 program under chapter 256B, or meets the criteria for severe emotional disturbance under
4.2 section 245.4871, subdivision 6, or for serious and persistent mental illness under section
4.3 245.462, subdivision 20, paragraph (c), and who was subject to the requirements in section
4.4 256J.561, subdivision 2.

4.5 (b) A participant who received MFIP assistance that counted toward the 60-month time
4.6 limit while the participant met the state time limit exemption criteria under section 256J.42,
4.7 subdivision 4 or 5, is eligible for assistance under a hardship extension for a period of time
4.8 equal to the number of months that were counted toward the 60-month time limit while the
4.9 participant met the state time limit exemption criteria under section 256J.42, subdivision 4
4.10 or 5.

4.11 (c) After the accrued months have been exhausted, the county agency must determine
4.12 if the assistance unit is eligible for an extension under another extension category in
4.13 subdivision 2, 3, or 4.

4.14 (d) At the time of the case review, a county agency must explain to the participant the
4.15 basis for receiving a hardship extension based on the accrual of exempt months. The
4.16 participant must provide documentation necessary to enable the county agency to determine
4.17 whether the participant is eligible to receive a hardship extension based on the accrual of
4.18 exempt months or authorize a county agency to verify the information.

4.19 ~~(e) While receiving extended MFIP assistance under this subdivision, a participant is~~
4.20 ~~subject to the MFIP policies that apply to participants during the first 60 months of MFIP,~~
4.21 ~~unless the participant is a member of a two-parent family in which one parent is extended~~
4.22 ~~under subdivision 3 or 4. For two-parent families in which one parent is extended under~~
4.23 ~~subdivision 3 or 4, the sanction provisions in subdivision 6 shall apply.~~

4.24 **EFFECTIVE DATE.** This section is effective November 1, 2020.

4.25 Sec. 4. Minnesota Statutes 2018, section 256J.425, subdivision 7, is amended to read:

4.26 Subd. 7. **Status of disqualified participants closed cases.** (a) An assistance unit that
4.27 is ~~disqualified~~ closed under ~~subdivision 6, paragraph (a),~~ section 256J.46 may be approved
4.28 for MFIP if the participant complies with MFIP program requirements and demonstrates
4.29 compliance for up to one month. No assistance shall be paid during this period.

4.30 (b) An assistance unit that is ~~disqualified~~ closed under ~~subdivision 6, paragraph (a),~~
4.31 section 256J.46 and that reapplies under paragraph (a) is subject to sanction under section
4.32 256J.46, subdivision 1, paragraph (c), ~~clause (1), for a first occurrence of noncompliance.~~
4.33 ~~A subsequent occurrence of noncompliance results in a permanent disqualification.~~

5.1 ~~(e) If one participant in a two-parent assistance unit receiving assistance under a hardship~~
 5.2 ~~extension under subdivision 3 or 4 is determined to be out of compliance with the~~
 5.3 ~~employment and training services requirements under sections 256J.521 to 256J.57, the~~
 5.4 ~~county shall give the assistance unit the option of disqualifying the noncompliant participant~~
 5.5 ~~from MFIP. In that case, the assistance unit shall be treated as a one-parent assistance unit~~
 5.6 ~~for the purposes of meeting the work requirements under subdivision 4. An applicant who~~
 5.7 ~~is disqualified from receiving assistance under this paragraph may reapply under paragraph~~
 5.8 ~~(a). If a participant is disqualified from MFIP under this subdivision a second time, the~~
 5.9 ~~participant is permanently disqualified from MFIP.~~

5.10 ~~(d)~~ (c) Prior to a disqualification closure under this subdivision, a county agency must
 5.11 review the participant's case to determine if the employment plan is still appropriate and
 5.12 attempt to meet with the participant face-to-face. If a face-to-face meeting is not conducted,
 5.13 the county agency must send the participant a notice of adverse action as provided in section
 5.14 256J.31. During the face-to-face meeting, the county agency must:

5.15 (1) determine whether the continued noncompliance can be explained and mitigated by
 5.16 providing a needed preemployment activity, as defined in section 256J.49, subdivision 13,
 5.17 clause (9);

5.18 (2) determine whether the participant qualifies for a good cause exception under section
 5.19 256J.57;

5.20 (3) inform the participant of the family violence waiver criteria and make appropriate
 5.21 referrals if the waiver is requested;

5.22 (4) inform the participant of the participant's sanction status and explain the consequences
 5.23 of continuing noncompliance;

5.24 (5) identify other resources that may be available to the participant to meet the needs of
 5.25 the family; and

5.26 (6) inform the participant of the right to appeal under section 256J.40.

5.27 **EFFECTIVE DATE.** This section is effective November 1, 2020.

5.28 Sec. 5. Minnesota Statutes 2018, section 256J.46, subdivision 1, is amended to read:

5.29 Subdivision 1. **Participants not complying with program requirements.** (a) A
 5.30 participant who fails without good cause under section 256J.57 to comply with the
 5.31 requirements of this chapter for child support and maintenance under section 256.741,
 5.32 orientation under section 256J.45, or employment and training services under sections

6.1 ~~256J.515 to 256J.57, and who is not subject to a sanction under subdivision 2,~~ shall be
6.2 subject to a sanction as provided in this subdivision. Prior to the imposition of a sanction,
6.3 a county agency shall provide a notice of intent to sanction under section 256J.57, subdivision
6.4 2, and, when applicable, a notice of adverse action as provided in section 256J.31, subdivision
6.5 5.

6.6 (b) A sanction under this subdivision becomes effective the month following the month
6.7 in which a required notice is given. A sanction must not be imposed when a participant
6.8 comes into compliance with child support requirements under section 256.741 prior to the
6.9 effective date of the sanction. A sanction must not be imposed when a participant comes
6.10 into compliance with the requirements for orientation under section 256J.45 prior to the
6.11 effective date of the sanction. A sanction must not be imposed when a participant comes
6.12 into compliance with the requirements for employment and training services under sections
6.13 256J.515 to 256J.57 ~~ten days~~ prior to the effective date of the sanction. For purposes of this
6.14 subdivision, each month that a participant fails to comply with a requirement of this chapter
6.15 shall be considered a separate occurrence of noncompliance. If both participants in a
6.16 two-parent assistance unit are out of compliance at the same time, it is considered one
6.17 occurrence of noncompliance.

6.18 (c) Sanctions for noncompliance shall be imposed as follows:

6.19 ~~(1) For the first occurrence of noncompliance by a participant in an assistance unit, the~~
6.20 ~~assistance unit's grant shall be reduced by ten percent of the MFIP standard of need for an~~
6.21 ~~assistance unit of the same size with the residual grant paid to the participant. The reduction~~
6.22 ~~in the grant amount must be in effect for a minimum of one month and shall be removed in~~
6.23 ~~the month following the month that the participant returns to compliance.~~

6.24 ~~(2)~~ (1) For a the first, second, and third, fourth, fifth, or sixth consecutive occurrence of
6.25 noncompliance by a participant in an assistance unit, the assistance unit's shelter costs shall
6.26 be vendor paid up to the amount of the cash portion of the MFIP grant for which the
6.27 assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor
6.28 paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment
6.29 of the assistance unit's shelter costs. The residual amount of the grant after vendor payment,
6.30 if any, must be reduced by an amount equal to ~~30~~ 25 percent of the MFIP cash ~~standard of~~
6.31 ~~need for an~~ received by the assistance unit ~~of the same size~~ before the residual grant is paid
6.32 to the assistance unit. The reduction in the grant amount must be in effect for a minimum
6.33 of one month and shall be removed in the month following the month that the participant
6.34 in a one-parent assistance unit returns to compliance, unless the requirements in paragraph
6.35 (g) are met. In a two-parent assistance unit, the grant reduction must be in effect for a

7.1 minimum of one month and shall be removed in the month following the month both
 7.2 participants return to compliance, unless the requirements in paragraph (g) are met. The
 7.3 ~~vendor payment of shelter costs and, if applicable, utilities shall be removed six months~~
 7.4 ~~after the month in which the participant or participants return to compliance.~~ When an
 7.5 assistance unit comes into compliance with the requirements in paragraph (a), shows good
 7.6 cause under section 256J.57, or meets the criteria under section 256J.575, the sanction
 7.7 occurrences for that assistance unit shall be considered to be at zero sanctions. If an assistance
 7.8 unit is sanctioned under this clause, the participant's case file must be reviewed to determine
 7.9 if the employment plan is still appropriate.

7.10 ~~(d)~~ (2) For a ~~seventh~~ fourth consecutive occurrence of noncompliance by a participant
 7.11 in an assistance unit, or when the participants in a two-parent assistance unit have a total
 7.12 of ~~seven~~ four consecutive occurrences of noncompliance, the county agency shall close the
 7.13 MFIP assistance unit's financial assistance case, ~~both~~ including the cash and food portions,
 7.14 and redetermine the family's ~~continued~~ eligibility for ~~food support~~ Supplemental Nutrition
 7.15 Assistance Program payments. The MFIP case must remain closed for a minimum of one
 7.16 full month. Before the case is closed, the county agency must review the participant's case
 7.17 to determine if the employment plan is still appropriate and attempt to meet with the
 7.18 participant face-to-face. The participant may bring an advocate to the face-to-face meeting.
 7.19 If a face-to-face meeting is not conducted, the county agency must send the participant a
 7.20 written notice that includes the information required under ~~clause (1)~~ item (i).

7.21 ~~(1)~~ (i) During the face-to-face meeting, the county agency must:

7.22 ~~(i)~~ (A) determine whether the continued noncompliance can be explained and mitigated
 7.23 by providing a needed preemployment activity, as defined in section 256J.49, subdivision
 7.24 13, clause (9);

7.25 ~~(ii)~~ (B) determine whether the participant qualifies for a good cause exception under
 7.26 section 256J.57, or if the sanction is for noncooperation with child support requirements,
 7.27 determine if the participant qualifies for a good cause exemption under section 256.741,
 7.28 subdivision 10;

7.29 ~~(iii)~~ (C) determine whether the work activities in the employment plan are appropriate
 7.30 based on the criteria in section 256J.521, subdivision 2 or 3;

7.31 ~~(iv)~~ (D) determine whether the participant qualifies for the family violence waiver;

7.32 ~~(v)~~ (E) inform the participant of the participant's sanction status and explain the
 7.33 consequences of continuing noncompliance;

8.1 ~~(vi)~~ (F) identify other resources that may be available to the participant to meet the needs
8.2 of the family; and

8.3 ~~(vii)~~ (G) inform the participant of the right to appeal under section 256J.40.

8.4 ~~(2)~~ (ii) If the lack of an identified activity or service can explain the noncompliance, the
8.5 county must work with the participant to provide the identified activity.

8.6 ~~(3)~~ (iii) The grant must be restored to the full amount for which the assistance unit is
8.7 eligible retroactively to the first day of the month in which the participant was found to lack
8.8 preemployment activities or to qualify for a family violence waiver or for a good cause
8.9 exemption under section 256.741, subdivision 10, or 256J.57.

8.10 ~~(e)~~ (d) For the purpose of applying sanctions under this section, only consecutive
8.11 occurrences of noncompliance that occur after ~~July 1, 2003~~ November 1, 2020, shall be
8.12 considered when counting the number of sanction occurrences under this subdivision. Active
8.13 cases under sanction on November 1, 2020, shall be considered to have one sanction
8.14 occurrence. If the participant is in 30 percent sanction in the month this section takes effect,
8.15 that month counts as the first occurrence for purposes of applying the sanctions under this
8.16 section, but the sanction shall remain at 30 percent for that month comes into compliance
8.17 with the requirements of paragraph (a), the assistance unit is considered to have zero
8.18 sanctions.

8.19 ~~(f)~~ (e) An assistance unit whose case is closed under paragraph ~~(d)~~ or (g) (c), clause (2),
8.20 may reapply for MFIP using the Minnesota transition application form (MTAF) and shall
8.21 be eligible if the participant complies with MFIP program requirements and demonstrates
8.22 compliance for up to one month. No assistance shall be paid during this period. The county
8.23 shall not request a combined application form for a participant who has submitted a MTAF
8.24 within 30 days of closure. The county must process the MTAF according to section 256P.04,
8.25 except that the county agency shall not require additional verification of information in the
8.26 case file unless the information is inaccurate, questionable, or no longer current. When a
8.27 participant does not request MFIP within 30 days of closure, a new combined application
8.28 form must be completed for any subsequent request for MFIP.

8.29 ~~(g)~~ (f) An assistance unit whose case has been closed for noncompliance, that reapplies
8.30 under paragraph ~~(f)~~ (e), is subject to sanction under paragraph (c), ~~clause (2), for a first~~
8.31 ~~occurrence of noncompliance. Any subsequent occurrence of noncompliance shall result~~
8.32 ~~in case closure under paragraph (d).~~

8.33 (g) If an assistance unit is in compliance with child support and maintenance requirements
8.34 under section 256.741, orientation requirements under section 256J.45, and employment

9.1 and training requirements under sections 256J.515 to 256J.57 by the 15th of the month in
9.2 which the assistance unit has a 25 percent sanction imposed, the reduction to the assistance
9.3 unit's cash grant shall be restored retroactively.

9.4 (h) An assistance unit that fails to meet the requirements of this section, without good
9.5 cause under section 256J.57, shall be sanctioned or closed. Good cause may only be granted
9.6 for the month for which the good cause reason applies. An assistance unit must meet all
9.7 remaining requirements in the approved employment plan or be subject to sanction or
9.8 closure.

9.9 **EFFECTIVE DATE.** This section is effective November 1, 2020.

9.10 Sec. 6. **REPEALER.**

9.11 Minnesota Statutes 2018, sections 256J.425, subdivision 6; and 256J.46, subdivisions
9.12 2 and 2a, are repealed effective November 1, 2020.

256J.425 HARDSHIP EXTENSIONS.

Subd. 6. **Sanctions for extended cases.** (a) If one or both participants in an assistance unit receiving assistance under subdivision 3 or 4 are not in compliance with the employment and training service requirements in sections 256J.521 to 256J.57, the sanctions under this subdivision apply. For a first occurrence of noncompliance, an assistance unit must be sanctioned under section 256J.46, subdivision 1, paragraph (c), clause (1). For a second or third occurrence of noncompliance, the assistance unit must be sanctioned under section 256J.46, subdivision 1, paragraph (c), clause (2). For a fourth occurrence of noncompliance, the assistance unit is disqualified from MFIP. If a participant is determined to be out of compliance, the participant may claim a good cause exception under section 256J.57.

(b) If both participants in a two-parent assistance unit are out of compliance at the same time, it is considered one occurrence of noncompliance.

(c) When a parent in an extended two-parent assistance unit who has not used 60 months of assistance is out of compliance with the employment and training service requirements in sections 256J.521 to 256J.57, sanctions must be applied as specified in clauses (1) and (2).

(1) If the assistance unit is receiving assistance under subdivision 3 or 4, the assistance unit is subject to the sanction policy in this subdivision.

(2) If the assistance unit is receiving assistance under subdivision 2, the assistance unit is subject to the sanction policy in section 256J.46.

(d) If a two-parent assistance unit is extended under subdivision 3 or 4, and a parent who has not reached the 60-month time limit is out of compliance with the employment and training services requirements in sections 256J.521 to 256J.57 when the case is extended, the sanction in the 61st month is considered the first sanction for the purposes of applying the sanctions in this subdivision, except that the sanction amount shall be 30 percent.

256J.46 SANCTIONS.

Subd. 2. **Sanctions for refusal to cooperate with support requirements.** The grant of an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement agency, with support requirements under section 256.741, shall be subject to sanction as specified in this subdivision and subdivision 1. For a first occurrence of noncooperation, the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard of need. Subsequent occurrences of noncooperation shall be subject to sanction under subdivision 1, paragraphs (c), clause (2), and (d). The residual amount of the grant, if any, must be paid to the caregiver. A sanction under this subdivision becomes effective the first month following the month in which a required notice is given. A sanction must not be imposed when a caregiver comes into compliance with the requirements under section 256.741 prior to the effective date of the sanction. The sanction shall be removed in the month following the month that the caregiver cooperates with the support requirements. Each month that an MFIP caregiver fails to comply with the requirements of section 256.741 must be considered a separate occurrence of noncompliance for the purpose of applying sanctions under subdivision 1, paragraphs (c), clause (2), and (d).

Subd. 2a. **Dual sanctions.** (a) Notwithstanding the provisions of subdivisions 1 and 2, for a participant subject to a sanction for refusal to comply with child support requirements under subdivision 2 and subject to a concurrent sanction for refusal to cooperate with other program requirements under subdivision 1, sanctions shall be imposed in the manner prescribed in this subdivision.

Any vendor payment of shelter costs or utilities under this subdivision must remain in effect for six months after the month in which the participant is no longer subject to sanction under subdivision 1.

(b) If the participant was subject to sanction for:

(1) noncompliance under subdivision 1 before being subject to sanction for noncooperation under subdivision 2; or

(2) noncooperation under subdivision 2 before being subject to sanction for noncompliance under subdivision 1, the participant is considered to have a second occurrence of noncompliance and shall be sanctioned as provided in subdivision 1, paragraph (c), clause (2). Each subsequent occurrence of noncompliance shall be considered one additional occurrence and shall be subject to the applicable level of sanction under subdivision 1. The requirement that the county conduct a review as specified in subdivision 1, paragraph (d), remains in effect.

APPENDIX
Repealed Minnesota Statutes: H0522-1

(c) A participant who first becomes subject to sanction under both subdivisions 1 and 2 in the same month is subject to sanction as follows:

(1) in the first month of noncompliance and noncooperation, the participant's grant must be reduced by 30 percent of the applicable MFIP standard of need, with any residual amount paid to the participant;

(2) in the second and subsequent months of noncompliance and noncooperation, the participant shall be subject to the applicable level of sanction under subdivision 1.

The requirement that the county conduct a review as specified in subdivision 1, paragraph (d), remains in effect.

(d) A participant remains subject to sanction under subdivision 2 if the participant:

(1) returns to compliance and is no longer subject to sanction for noncompliance with section 256J.45 or sections 256J.515 to 256J.57; or

(2) has the sanction for noncompliance with section 256J.45 or sections 256J.515 to 256J.57 removed upon completion of the review under subdivision 1, paragraph (e).

A participant remains subject to the applicable level of sanction under subdivision 1 if the participant cooperates and is no longer subject to sanction under subdivision 2.