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Statewide

Minnesota Family Investment Program

A tough but fair solution to welfare dependency



Minnesota's *1997* Welfare Reform Law
Valuing work, responsibility and families

Minnesota's 1997 welfare reform law is landmark, bipartisan legislation that on July 1 began transforming the state's welfare system into one that expects, supports and rewards work as the way parents support their children.

The Statewide Minnesota Family Investment Program, or MFIP, is the heart of the state's welfare effort. Based on the successful county/state pilot project, it promotes work, responsibility and families while preventing welfare dependency and lifting children out of poverty.

STATEWIDE MFIP is tough but fair reform

- **Statewide MFIP** transforms welfare from a broken system that discourages work to one that quickly moves families to work and raises their income. MFIP:
- **Centers on work** by building on jobs in today's economy and focusing on future workforce development. Parents can quickly use existing jobs as opportunities to end welfare dependency and employers can find workers.
- **Values responsibility** by expecting parents to be financially responsible for their children. With tough time limits and sanctions for parents who don't work, more children can grow up in families where work is a way of life.
- **Invests in children** by helping families work their way out of poverty. Parents can gain work experience leading to better lives for their children. With the goals of reducing both welfare dependency *and* child poverty, Minnesota is unique among states.

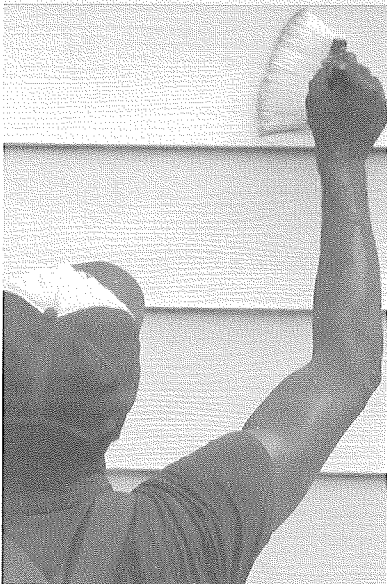
Building on a successful model

MFIP, a bold, new welfare reform experiment begun as a demonstration project in 1994, is proving to be one of the most effective efforts in the country at moving long-term welfare recipients into work and out of poverty. After 18 months on the program, 52 percent of long-term MFIP recipients were working, an increase of almost 40 percent over the control group. Poverty among these families was reduced by 14 percent. Statewide MFIP incorporates the demonstration project's most successful features while making needed changes to use the program statewide and more quickly move families toward self-sufficiency. (The MFIP demonstration project will continue until June 30, 1998.)

Providing jobs and a prepared workforce

Work is the path to supporting a family. Today Minnesota's economy is booming. Employers need new workers; people on welfare need jobs. By working closely together, employers, schools and government can ready people on welfare for existing jobs, help those now in the workforce gain new skills and prepare future workers for tomorrow's jobs. MFIP brings employers' needs for workers and the needs of people on welfare for work together by:

- **Placing people in jobs more quickly.** People applying for welfare and those now receiving assistance are required to look for a job. Recipients are expected to take the most direct path to an unsubsidized job. Parents receive assistance to find and keep a job. A job counselor helps each parent develop a job search plan.



- **Expecting, rewarding and supporting work.** While parents are expected to work, families will be better off because they can keep some public assistance as an income supplement as they work their way out of poverty, leaving assistance when their income is approximately 20 percent above the poverty level. They also have access to child and health care benefits.
- **Using new employment and training approaches.** Quick job placement with job supports and training on the job is emphasized. There is a one-year limit on welfare-supported post-secondary education. A second year is allowed in limited cases with parents required to pay back those employment services. Counties have more flexibility to design employment and training services.

Expecting parents to be responsible

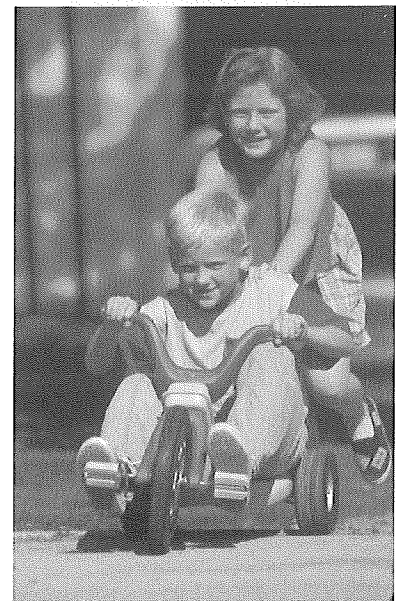
When parents work, children are better off financially and learn to value work and take responsibility. The government provides a safety net when families fall upon hard times; however, parents also must take responsibility to support their children. With MFIP, parents who fail to go to work within strict time limits face tough financial sanctions.

- Two-parent families must work immediately.
- Single-parent families must work within six months. Counties have the option of requiring work sooner.
- Parents who don't work or follow through to support their families have their assistance reduced first by 10, then 30 percent. Those facing the 30 percent penalty have their rent paid directly to their landlord.
- There is a 60-month lifetime limit on assistance.
- Those over age 60, ill, incapacitated, caring for family members with disabilities or experiencing a crisis are exempt from work requirements. Parents can use a lifetime total exemption of 12 months to care for children under age 1.
- Domestic abuse victims following safety plans are temporarily exempt from time limits.

Supporting working families

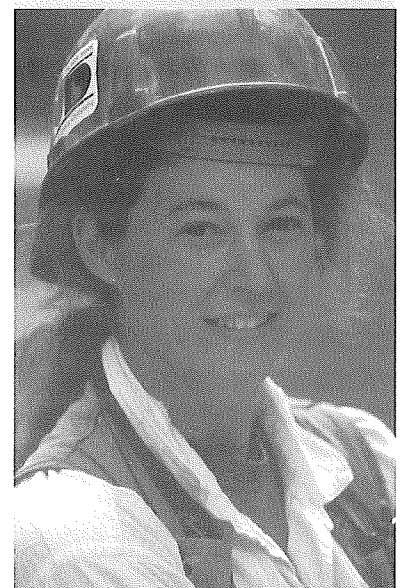
By investing in children and families today, we are building a better future for all Minnesotans. Many families can successfully work and avoid relying on welfare with supports that enable them to take available jobs and provide for their children.

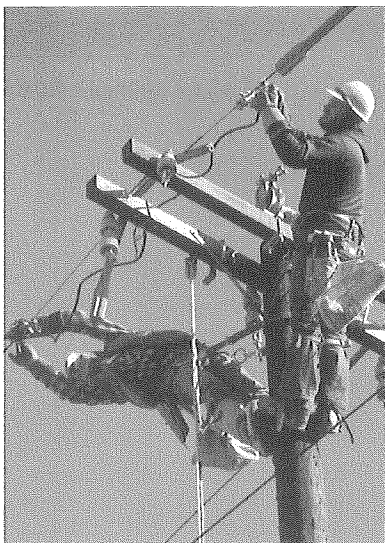
- **Child care.** State funding, under the Department of Children, Families and Learning, has been substantially increased so that all families moving from welfare to work have access to subsidized child care. Working families, trying to avoid welfare, have access to additional child care subsidies through the Basic Sliding Fee program. State funding for child care has increased \$93 million to a total of \$191 million over the biennium.
- **Strong child support.** A child support payment is often how many single-parent families avoid welfare. Aggressive child support efforts have more than doubled the amount of state support collected—to \$363 million in 1996—over the past six years. Child support initiatives will allow Minnesota to boost collection efforts to provide more support to more children.
- **MinnesotaCare.** This program allows low-income families to buy health insurance by paying a premium based on income. It has kept 4,600 families off welfare and is saving taxpayers \$2.5 million a month in welfare and related medical assistance costs.
- **Tax credits.** Working families can increase their income with the federal Earned Income Tax Credit (EITC) and several state credits.



“Minnesota is once again leading the nation with bipartisan welfare reform that will lead to better lives for our children and families.”

Gov. Arne H. Carlson





Preventing dependency

To get ahead, some families need only a little help not a welfare check. Innovative efforts can give them the help they really need to avoid welfare dependency. Families will get up-front help and connections to community resources.

- Families are screened before they apply for welfare and, if possible, given referrals to other programs to avoid the need for welfare.
- Some families may be eligible for a one-time grant of up to four months of the MFIP grant to meet a financial crisis. They will be ineligible for MFIP or Emergency Assistance for that period. (This can be used only once in three years.)

Providing a safety net for legal noncitizens

Under the federal welfare reform bill, some legal noncitizens are losing federal food stamp benefits. The state will not replace lost federal benefits but will continue to maintain a safety net for the most needy legal noncitizens.

- Families with children are eligible for MFIP (and a food stamp replacement for 10 months).
- Most legal noncitizens who were eligible for Supplemental Security Income (SSI) and medical assistance prior to the federal welfare reform law will continue to be eligible for assistance.
- To help noncitizens become U.S. citizens, \$1 million in one-time state funding for the biennium is also provided for citizenship programs.

Requiring state residency

People move to Minnesota for many reasons. Higher benefits should not be the deciding factor. Strict residency requirements will make welfare a neutral factor in the decision to move to Minnesota.

- Most newcomers will not receive benefits for the first 30 days in Minnesota as they establish residency.
- Most newcomers will receive the benefit they would have received in the state where they previously lived for the next 12 months.
- Newcomers will have time they received benefits in another state applied to the 60-month limit on welfare. If they have used their limit in another state, they will receive no aid.

Key dates:

July 1, 1997

60-month limit, residency requirement begins

Jan 1, 1998

*Statewide MFIP for new applicants and
three-month transition for current recipients begin*

July 1, 1998

MFIP pilot ends; Statewide MFIP assists all families with children

If you ask, we will give you this information in another form, such as Braille, large print or audiotape.

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