

Minnesota Family Investment Program

July 2020

The Minnesota Family Investment Program (MFIP) is a jointly funded, federal-state program that provides income assistance to eligible low-income families. MFIP is the state's response to the 1996 federal welfare reform law, which replaced the Aid to Families with Dependent Children (AFDC) program with Temporary Assistance for Needy Families (TANF), a block grant program to states.

Who is eligible for MFIP?

A family must have income and assets below the program's limits. The income limit increases with family size. Families do not exit MFIP until their income reaches about 115 percent of the federal poverty guidelines (FPG). The 2020 FPG for a family of three is \$21,720 (115 percent of FPG for a family of three equals \$24,978). Assets are limited to \$10,000 for applicants and participants, excluding certain items. In addition, families must meet the following eligibility requirements:

- have a minor child or pregnant woman in the home
- be residents of Minnesota
- be a U.S. citizen, qualified noncitizen, or noncitizen otherwise lawfully residing in the United States
- assign rights to child support to the state
- have received fewer than 60 months assistance total from any state
- satisfy any other eligibility requirements of the program

Families are subject to a *lifetime limit of 60 months of assistance*. Some families may be eligible for assistance extensions past the 60-month limit if they meet specific criteria for one of the following extension categories: ill or incapacitated, hard-to-employ, and employed participants.

MFIP participants may be eligible for other benefits such as child care assistance and Medical Assistance.

How much are monthly benefits?

The MFIP grant is based on a transitional standard that increases with family size. For example, a family of three's standard benefit in 2020 is \$1,044 per month; a family of four's monthly standard is \$1,247. For families without earnings, the monthly grant equals the transitional standard. For families with earnings, the monthly grant equals the "family wage level" (110 percent of the transitional standard minus the family's net earned income). The MFIP grant is composed of a cash portion and a food portion, both of which are issued by counties in electronic debit card form.

What are the work requirements?

MFIP caregivers (i.e., persons who live with and provide care and support to minor children) are required to spend a specified number of hours every week engaged in work or work activities. Examples of acceptable activities include job search activities, unsubsidized employment, and on-the-job training.

Employment plans must be tailored to recognize the special circumstances of MFIP participants who meet certain criteria, such as being over age 60, being ill or incapacitated, caring for a disabled child, or being the victim of family violence.

Participants who are interested in participating in postsecondary education as part of their employment plan must discuss their education plans with their job counselor. Job counselors must work with participants to evaluate options.

Special requirements exist for *caregivers under age 20*. In most cases, education is the first priority for teen MFIP participants.

How do sanctions work?

MFIP participants who do not meet the program requirements may be sanctioned through reduction of their monthly grant. Sanctions last until one month after a participant comes into compliance. An MFIP case must be closed after the seventh occurrence of noncompliance.

What are MFIP's funding streams and expenditures?

MFIP is funded with a combination of federal funds and state appropriations. Minnesota received approximately \$268 million annually in TANF block grant funding in federal fiscal years 1998 to 2020 (this amount is subject to federal reauthorization). In addition, federal law includes a maintenance of effort (MOE) provision that requires a state to spend 75 percent to 80 percent of the amount it spent in 1994 under its old AFDC and related programs to assist needy families. In fiscal year 2020 the state's required MOE amount was \$176.7 million per year. The MOE requirement is met through state spending on programs such as MFIP, child care assistance, and the working family tax credit. TANF is used for MFIP and a variety of other programs that assist low-income families.

According to the Department of Human Services, for state fiscal year 2019, total expenditures were \$149.6 million for the cash portion and \$117.0 million for the food portion of the MFIP grants. In terms of funding, \$69.0 million was financed with federal TANF funds, \$116.6 million was from federal Supplemental Nutrition Assistance Program funds, and \$81.1 million was from state appropriations.

How many families receive MFIP?

In fiscal year 2019, in an average month 28,901 families and a total of 81,908 participants were receiving MFIP assistance. In fiscal year 2020, in an average month an estimated 27,688 families and a total of 78,157 participants were receiving MFIP assistance.



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