



Increase the grant for the Minnesota Family Investment Program

Issue:

- The cash grant portion of the Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP) has not changed since 1986.
- This low level makes it difficult to provide support to the poorest children and their families, who are often facing a crisis such as job loss, serious illness or domestic violence.
- Poverty disproportionately affects people of color and American Indians. Nearly half of all black and American Indian children live in poverty in Minnesota.
- At the current level, MFIP does not provide enough assistance to lift families out of deep poverty. Deep poverty is defined as living below 50 percent of the federal poverty limit; the current amount of assistance puts families at 32 percent of that limit. The poverty level for a family of three is \$1,674 per month.
- Homelessness is the most concrete manifestation of the growing number of Minnesota children in poverty. Between 1991 and 2012, the number of homeless children almost quadrupled; by 2012, about 3,500 children with their parents were homeless on any given night.

Proposal:

- The governor's supplemental budget recommends increasing the MFIP cash grant by about \$100 per month beginning Oct. 1, 2016.
- The average increase for DWP cases would be \$44 per month.
- The current MFIP grant is \$532 per month in cash assistance for a family of three; that family would also receive \$459 per month in Supplemental Nutrition Assistance Program benefits.
- For DWP, the cash grant is also \$532 per month for a family of three; however, the cash grant is applied to housing costs. Families in DWP must apply separately for food benefits.
- The state would seek approval from the U.S. Department of Agriculture, Food and Nutrition Services to increase the cash grant.

Benefits:

- Families across Minnesota will rise faster out of deep poverty toward economic stability and self-sufficiency.
- Children will face less uncertainty in housing and have more family stability.
- Because of the strong correlation between childhood poverty and poor educational outcomes, this change will also support state efforts to increase school achievement.
- Because many of the families living in poverty in Minnesota are families of color, increasing the grant will also improve racial disparities.

Fiscal impact:

- FY 2017: \$27.6 million (\$23.6 million TANF, \$4 million General Fund)
- FY 2018: \$36.8 million (\$24.1 million TANF, \$12.7 million General Fund)
- FY 2019: \$36.6 million (\$24.3 million TANF, \$12.3 million General Fund)

Number of people affected:

- An average of 32,500 families each month, including 65,000 children

Related information:

- Governor's Supplemental Budget Proposal on the [Minnesota Management & Budget website](http://www.mn.gov/mmb/images/16-17-supplemental-agency-item.pdf), <http://www.mn.gov/mmb/images/16-17-supplemental-agency-item.pdf>
- Information about the Minnesota Family Investment Program and the Diversionary Work Program on the DHS website: <http://mn.gov/dhs/people-we-serve/children-and-families/economic-assistance/income/programs-and-services/index.jsp>

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