



Rebuilding an effective MFIP program

Issue:

- Minnesota needs to renew its investment in supporting strong employment outcomes for families who turn to the Minnesota Family Investment Program.
- Intergenerational poverty is a fact of life for too many Minnesotans. Seventy-five percent of teen parents on the Minnesota Family Investment Program (MFIP) were on assistance as children.
- MFIP has become increasingly complex and expensive for counties to administer, diverting resources that could better be used to help people become self-sufficient.
- Home visiting services to teen parents has proven to improve high school graduation rates and increase the rates at which their children reach healthy developmental milestones.

Proposal:

The governor's budget proposal:

- Supports parents' employment outcomes by disregarding a larger portion of working parents' earnings.
- Simplifies the Minnesota Family Investment Program by suspending the Work Benefit program to reduce administrative complexity for counties.
- Provides startup funding to more effectively serve teen parents in collaboration with the Minnesota Department of Health.
- Provides one-time investment of \$4 million in the 2014-2015 biennium to improve employment outcomes for African American and American Indian MFIP participants, building on successful demonstration projects, and one-time \$4.8 million in the 2014-2015 biennium for work study and paid work experience for MFIP participants.

Impact:

- Among the outcomes positively impacted by these investments are improved employment outcomes for parents and improved high school graduation rates among teen parents on the Minnesota Family Investment Program.

Number of people affected:

- Approximately 60 additional average monthly working families will be eligible for the Minnesota Family Investment Program in 2014 based on the higher earnings disregard (earnings allowance) at time of application.
- Approximately 640 families will be helped in FY 2014 and FY 2015 with funding provided under paid work experience.
- Approximately 7,400 working parents on the Minnesota Family Investment Program and Diversionary Work Program will see an increase in monthly cash benefits of about \$38 per month to supplement their paychecks in 2014.

Fiscal impact:

- FY 2014: \$3.24 million, General Fund; \$3.50 million, Temporary Assistance for Needy Families (TANF)
- FY 2015: \$5.26 million, General Fund; \$1.70 million, TANF
- FY 2016: \$2.01 million, General Fund; \$2 million, TANF
- FY 2017: \$1.73 million, General Fund; \$2 million, TANF

Related information:

- Minnesota Management & Budget's website: <http://www.mmb.state.mn.us/>
- Diversionary Work Program fact sheet: <https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-5848-ENG>
- Minnesota Family Investment Program fact sheet: <https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-5830-ENG>
- Minnesota Family Investment Program page on DHS website: http://www.dhs.state.mn.us/main/id_004112
- Diversionary Work Program page on DHS website: http://www.dhs.state.mn.us/main/id_028634

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