FAQs: Cash benefit increase for public assistance recipients

In 2019, the Minnesota Legislature approved a $100 increase to the maximum cash grant for families on the Minnesota Family Investment Program – the first increase for all participants in more than 30 years – and those participating in the Diversionary Work Program, as well as those receiving Tribal Temporary Assistance for Needy Families and Refugee Cash Assistance benefits.

Below are answers to some common questions about the increase in benefits.

When will the increase take effect?

The cash grant increase will take effect Feb. 1, 2020. Recipients will notice a change in their benefit amount in February.

Who will benefit from the increase?

The maximum cash grant increase will benefit all families in the Minnesota Family Investment Program and Diversionary Work Program, as well as those receiving Tribal Temporary Assistance for Needy Families and Refugee Cash Assistance benefits.

The Minnesota Family Investment Program serves an average of about 29,000 families a month; about 72% of the people served are children. An average of 1,980 families a month receive assistance from the Diversionary Work Program. Just over 2,500 individuals receive Tribal Temporary Assistance for Needy Families benefits each month. In 2019, there were 84 Refugee Cash Assistance cases, which include individuals and families without children.

The vast majority of parents who apply for assistance are low-wage workers in spells of unemployment. They are concentrated in four industries: retail, hotel/restaurants, temp agencies and low-wage health care jobs.

For those in the Minnesota Family Investment Program or Diversionary Work Program – or those receiving Refugee Cash Assistance or Tribal Temporary Assistance for Needy Families benefits – will benefits increase by $100 starting Feb. 1, 2020?

Not necessarily. The $100 increase is for the maximum benefit amount. When families have outside income – such as earnings or child support payments – they do not receive the maximum benefit. Minnesota Family Investment Program benefits are designed to decrease as outside income increases.

Even families who do not receive the maximum benefit are much better off, however, because the maximum benefit is the baseline used to determine the benefits for all families, including those with outside income. Most families will see an increase in their cash grant even if they do not receive the $100 maximum increase.
Will this cash grant increase affect Supplemental Nutrition Assistance Program (SNAP) benefits?
Yes, increases in cash assistance will reduce food benefits for those on the Supplemental Nutrition Assistance Program (SNAP), as required by federal law. Still, for almost all families, the reduction in SNAP benefits does not entirely offset the cash assistance increase. Increasing cash assistance is critical to helping families pay rent. There are other resources for food budgets — such as the Special Supplemental Nutrition Program for Women, Infants, and Children, food shelves and school lunch programs — but these resources do not help with housing costs.

Because Minnesota has a waiver from the U.S Department of Agriculture (USDA) to combine cash and SNAP benefits, the state is working with the USDA on the adjustment to the food benefits.

Will this cash grant increase affect recipients’ Minnesota Family Investment Program housing assistance grant?
The Minnesota Family Investment Program housing assistance grant is a special $110 benefit available to families not living in subsidized housing. Once families lose eligibility for the Minnesota Family Investment Program, they lose the housing assistance grant. With this cash grant increase, the Minnesota Family Investment Program will take families further past the poverty line once they have earnings.

Prior to February 2010, families of three would lose program assistance when they had at least $2,240 in monthly earned income. Starting in February 2020 with the $100 increase, they will continue to be able to supplement earnings with graduated Minnesota Family Investment Program benefits until they have $2,360 in monthly earned income. For 75% of the families, this means they continue to be eligible for the $110 housing assistance grant longer.

Will this cash grant increase affect families’ child care assistance?
The cash grant increase will increase a Child Care Assistance Program family’s income. When families’ incomes increase, if their incomes do not exceed 85% of state median income, there is no impact on their benefits until their next redetermination. Families’ copayments cannot increase during the 12-month eligibility period. Families’ copayments may increase at their next redetermination.

For those in the Minnesota Family Investment Program or Diversionary Work Program – or those receiving Refugee Cash Assistance or Tribal Temporary Assistance for Needy Families benefits – is there anything they need to do to start receiving this higher benefit amount?
No action is needed. Program participants will begin receiving their new benefit amount in February 2020.

How can participants find out what their benefit increases will be prior to February 2020?
They may contact their county or tribal financial worker to find out how their benefits will be impacted by the cash grant increase.
Who is eligible for the Minnesota Family Investment Program, Diversionary Work Program, Refugee Cash Assistance or Tribal Temporary Assistance for Needy Families benefits?

The Minnesota Family Investment Program provides job counseling and up to 60 months of financial assistance to families in deep poverty with minor children, and to pregnant women with low incomes. Families with children who apply for cash benefits and have not received cash assistance in the previous 12 months enter the Diversionary Work Program and receive services focused on immediate employment.

Refugee Cash Assistance is available to refugees for up to eight months after arrival in the United States, if they are ineligible for Supplemental Security Income or the Minnesota Family Investment Program.

Many of the general requirements for Tribal Temporary Assistance for Needy Families programs are the same as the requirements of the Minnesota Family Investment Program.

For more information on eligibility, visit the department’s Minnesota Family Investment Program webpage and Diversionary Work Program webpage. For more information on Refugee Cash Assistance, visit the department’s refugee resettlement webpage. County and tribal government human services office experts can help individuals determine if they are eligible for these programs.