

Position Statement

For 2023 Session

Serve All Cash Assistance Families Through MFIP

Proposal

Issue:

There are currently two cash assistance programs that serve families, Diversionary Work Program(DWP) and the MN Family Investment Program(MFIP). Applicants are required to be on DWP if they have not received cash assistance in the last 12 months. The process of applying for, and receiving, mandatory DWP benefits is cumbersome for households while the goals and requirements of the programs are similar to MFIP. The DWP program has a heavy administrative burden to counties with no proven additional benefit to the client. The following is a list of DWP related issues:

- DWP benefits are not issued until an employment plan is completed with employment services. This creates a barrier to program access. Completing this requirement is challenging for many applicants due to a variety of issues, including transportation and child care.
- Benefit amounts are often not enough to provide the support necessary for a family to reach self-sufficiency in the allowed 4 month time frame. DWP benefits are based on housing costs and personal needs allowance of \$70 per month. All housing costs are vendored allowing the applicant control of only the \$70 per person personal needs allowance. This does not provide the financial support to stabilize a family so they can focus on job search.
- The 4 month DWP time frame allows very little time for individuals with housing, transportation or child care needs to address those barriers in order to be successfully employed. Due to time constraints and program requirements individuals take any job offered regardless of their ability to successfully maintain it.
- Many families either transitioning to MFIP in the 5th month or return to cash assistance benefits within the next 8 months.
DHS data covered calendar years 2018 and 2019 showed that on average, 30% of DWP participants were on MFIP in their 5th month, the month immediately after DWP ended. 43% were on MFIP at some point during the 6th through 11th months after starting DWP and 23% were on MFIP in their 12th month after starting DWP.
- Non-compliance with DWP requirements results in 100% sanction, which does not support households in reaching self-sufficiency or securing gainful employment.
- The churn that is produced from entering a short-term program to then either transition to an alternative program or continue other program benefits creates destabilization for families that are already in crisis. Having a different set of rules for this program, versus other programs (health care, SNAP and Child Care assistance) also creates confusion.
- DWP does not provide substantial benefits to the applicant that would not be available through MFIP. Both programs have similar work requirements with employment service support and the same goal of employment that leads to self-sufficiency.
- Serving all families through MFIP will simplify family cash assistance processes for both applicants and counties. Having one cash assistance program will eliminate multiple applications, interviews and ES orientations saving both applicants and county time and resources.
- Serving all families through MFIP will allow adequate time and support through participants to enter the workforce and remain part of the workforce.

Implementation Strategy:

MACSSA supports incorporating the DWP program into MFIP, resulting in one cash assistance program for families (MFIP) that provides the same employment service supports and increased benefit amounts to stabilize households. This will align with the public assistance simplification efforts that MACSSA had prioritized in 2022. Combining DWP with MFIP will maximize county resources while providing households with a streamlined application process for family cash programs.

MACSSA will seek this legislative action in order to achieve simplification of service delivery as well as provide adequate benefits and time for households to stabilize and successfully secure employment.

DWP is not required by federal policy.

MACSSA will support sensible measures, already in place, that discourage, reduce, and investigate fraudulent behavior on the part of recipients, and are supported by efficient IT solutions.

Systemic Priority Alignment (highlight all that apply and explain why)

- Equity
- Integrated Services
- Fiscal Framework

From the GARE Toolkit (See www.racialequityalliance.org): What are the racial equity impacts of this particular decision? Who will benefit from or be burdened by it? Are there strategies to mitigate unintended consequences?

Comments:

Equity: This proposal strongly impacts equity: Families experiencing poverty and financial de-stabilization are disproportionately families of color. Families in deep poverty experience many negative health outcomes, including higher mortality rates for children. They also are disproportionately represented in the kind of jobs that have low pay with inconsistent income. Program applicants struggle with the primary barriers to successful employment retention; housing, transportation and child care. These same families are subject to programming that pressures employment in a short-term time frame causing possibly ineffective and inefficient solutions to employment barriers. DWP also requires accepting employment that may not meet their households needs whether in pay, hours, etc. and does not account for setbacks, job loss or crisis that may occur while on the program.

Integrated Services: In addition to the streamlined impact on families, this proposal also simplifies and streamlines the business process for county staff, making the program more efficient. It supports the Department of Human Services' multi-year effort to create more uniformity across public assistance programs.

Add Fiscal Framework Information:

Relevant Committee (highlight all that apply and explain why)

- Adult Services
- Behavioral Health
- Children's Services
- Modernization
- Policy
- Self-Sufficiency

Why: This proposal through Self-Sufficiency provides immediate access to MFIP, which allows households the time necessary to address mental health needs as well as childcare, educational services and safety concerns that a household may be experiencing. This simplified process will help pave the way for continued simplification efforts in public assistance policy and programming.

Rationale/Background:

A workgroup was created through the MACSSA Self-Sufficiency Committee to explore the benefits and challenges to DWP. This group had a diverse membership from large and small counties across the state. The group gathered data from DHS and discussed the program through many lenses. The groups consensus was that DWP was not showing effectiveness that met the original program goal of households reaching self sufficiency from cash assistance in the 4 month time frame. It also was creating artificial barriers to addressing households needs.

Families who are eligible for cash assistance are one of our most economically disadvantaged service populations. To meet their basic needs the household requires immediate access to benefits. Simplifying benefit access and streamlining program administration aligns with the goals of assisting our service population while using county and state resources efficiently. DWP's goal of diverting participants from MFIP is not clearly shown in DHS data. Without evidence that shows the DWP program is successfully diverting and keeping households off cash assistance it is not worth the complexities it creates for household and counties.



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