MACSSA

Minnesota Association of County Social Service Administrators

March 23, 2022

Chair Jennifer Schultz
Human Services Finance and Policy Committee
Minnesota House of Representatives

RE: HF4124 (Noor) Minnesota family investment program (MFIP) income reporting requirement modified

Dear Chair Schultz and Committee members,

The Minnesota Association of County Social Service Administrators (MACSSA) offers strong support for HF 4124 and thanks Representative Noor for authoring this bill. Modernizing the budgeting methodology for Minnesota Family Investment Program (MFIP) to prospective budgeting will allow counties to better serve families. This proposal aims to simplify and modernize the MFIP reporting requirements, to align budgeting methods with nationwide best practice, to encourage earned income and employment, and to create equity across the program. During our current workforce shortage, **this proposal will incentivize employment for families that include potential workers in important sectors experiencing shortages, such as hospitality, health care and retail.**

The Minnesota Family Investment Program helps families and pregnant women who have low income go to work and move toward financial stability. The program provides employment services and income assistance. The intent of MFIP is to stabilize families so they can move toward self-sufficiency.

The **monthly reporting budgeting methodology used for MFIP is an out-dated strategy** that is not considered best practice and reduces the program's potential to help families when they are de-stabilized. The current policy requires households with earned income to report income monthly, even if the income has not changed, which has at least three unintended, negative outcomes:

1) **The administrative process disincentivizes having earned income**. The 30 day cycle for submitting the changes creates unnecessary burden for families, who risk barely or temporarily exceed eligibility thresholds. Risking their current benefit may not outweigh the benefit of the small amount of earned income they could receive as they enter or re-enter the workforce into jobs that may not start off as regular or high paying. This is problematic for employers in sectors where jobs are difficult to fill. ***More than half of the workers on public assistance work in hospitality, retail and low wage health care jobs***.

2) **Counties spend tens of thousands of hours processing the monthly reports** and responding to inquiries from families who "churn" on and off the program each month, rather than working with those families on the outcomes of the program.

3) **The monthly churn destabilizes families who are already in crisis**. Families served by this program are in deep poverty and thus experiencing many negative health and mental health outcomes (e.g. children have a mortality rate that is twice that of higher income groups, adults experience 23 percent more preventable hospitalizations as those who are not poor). Placing them at risk each month of losing much needed help due to their updates crossing in the mail with the timeline for case closure. Having a different

set of rules for this program, versus other programs (health care, SNAP and Child Care assistance also creates confusion).

In addition to the profound 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. MACSSA supports HF4124, as well as the administration's proposal related to simplifying and reducing structural barriers to cash programs, because it improves the program for those who receive benefits, for county staff, and for employers who are currently especially challenged to find workers.

Sincerely,

Matt Freeman
Executive Director
Minnesota Association of County Social Service Administrators

Cc: Rep. Noor