

HOUSE RESEARCH

Bill Summary

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Subject: Unpaid Work for Cash Assistance

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Overview

This bill prohibits unpaid work in return for Minnesota Family Investment Program (MFIP) cash assistance unless the individual agrees, in writing, to perform unpaid work.

MFIP is a jointly funded, federal-state program designed to provide income assistance for eligible low-income families. MFIP replaces the Aid to Families with Dependent Children (AFDC) program, which was repealed by Congress in 1996 and replaced with Temporary Assistance for Needy Families (TANF), a block grant program to states.

MFIP provides cash and food assistance, employment and training services, and related support services and transitional services to eligible low-income Minnesota families. In order to be eligible for MFIP, a family must:

- have income and assets under the program's limits; and
- satisfy the other eligibility requirements of the federal and state laws that govern the program.

Several changes were made to the federal TANF program as part of the federal Deficit Reduction Act of 2005. Included in these changes were definitions of work activities, including a definition for "work experience if sufficient private sector employment is not available," which would allow for unpaid work performed in return for welfare. However,

Section

the state does not have to use this type of work activity simply because it is allowed under federal regulations.

Section

- 1** **Unpaid work for cash assistance prohibited.** Creates § 181.0311. Prohibits employment of any individual under an employment contract requiring the individual to perform unpaid work in return for MFIP cash assistance, unless the individual agrees, in writing, to engage in unpaid work in return for MFIP cash assistance. Specifies that unpaid work does not count as an MFIP work activity unless the individual agrees in writing to perform unpaid work for MFIP cash assistance. Allows the individual to terminate the unpaid work arrangement, in writing, at any time.