

# Minnesota Family Investment Program

Public Assistance Programs: A Series

January 2025

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**Public Assistance Programs** is a series of publications that describe state and federal programs that provide assistance in the form of health care, income, food, housing, and child care. This work provides an overview of each program. Please see the list on the last page for other works in this series, each of which describes an individual program.

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## Overview

The Minnesota Family Investment Program (MFIP) is a jointly funded, federal-state program designed to provide income assistance for eligible low-income families. MFIP provides cash and food assistance, employment and training services, and related support services to eligible low-income families. To be eligible for MFIP, a family must have income and assets under the program's limits and satisfy other eligibility requirements. MFIP benefits are based on family size. Monthly assistance begins at \$242 for food and \$419 for cash for a family of one. MFIP participants must meet work requirements and are limited to receiving benefits for a total of 60 months.

MFIP is funded with a combination of federal funds and state appropriations. MFIP funding in fiscal year 2023 was \$313.2 million. A monthly average of 66,671 people received MFIP assistance in fiscal year 2023.

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## **Administration**

### **Congress**

With passage of the 1996 federal welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act (Pub. L. No. 104-193), Congress eliminated the federal AFDC entitlement program and replaced it with Temporary Assistance for Needy Families (TANF), a block grant program to states. Under TANF, each state receives a block grant of federal funds that it must use to assist its needy families. Each state has the authority to design its own program to assist these families, although there are specific requirements in the federal TANF law that apply to all state programs.

### **U.S. Department of Health and Human Services (DHHS)**

DHHS administers the TANF block grant program. DHHS approves state TANF plans and monitors states' compliance with the various requirements of the federal law.

### **Minnesota State Legislature**

The Minnesota Legislature authorized MFIP in the 1997 session. MFIP is Minnesota's TANF program; it is Minnesota's response to the welfare reform authority granted by Congress. The program uses the state's annual federal TANF block grant and state appropriations to provide income assistance, employment and training services, and support services to eligible Minnesota families.

### **State Department of Children, Youth, and Families (DCYF)**

DCYF directs the operation of MFIP throughout the state by issuing implementation instructions to counties, providing training for county staff, providing other technical support to counties, and assisting in eligibility and benefits determination through its centralized MAXIS computer system.<sup>1</sup>

### **Counties**

Counties administer MFIP. The county agency conducts intake and eligibility screenings, including orientations to the program. It also provides case management and assists MFIP participants in their employment and training efforts and meeting the other program requirements.

### **Tribal TANF Programs**

The federal TANF law authorizes American Indian Tribes to apply for federal TANF funds to operate a Tribal TANF family assistance program that is separate from the state's program. Two Minnesota Tribes, the Mille Lacs Band of Ojibwe and the Red Lake Band of Chippewa Indians,

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<sup>1</sup> Prior to July 1, 2024, MFIP was administered by the Department of Human Services.

applied for and received federal approval to operate separate Tribal TANF programs. Funding for Tribal TANF programs comes from the state TANF block grant of the state in which the Tribe's service area is located.<sup>2</sup> For more on the Tribal TANF programs, see page 15.

## Eligibility Requirements

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.

### Who's Who in an MFIP Household

An MFIP **caregiver** is a person who lives with, and provides care and support to, a minor child. Some caregivers must be included in the assistance unit (e.g., parents, stepparents); other caregivers may choose not to be included in the assistance unit (e.g., grandparents, other adult relatives, legal custodians).

The MFIP **assistance unit** is the group of people receiving MFIP benefits together.

An MFIP **participant** is a person who is currently receiving cash assistance or the food portion available through MFIP and may also be required to participate in employment and training services.

## Income Limits

**For an initial applicant** to be eligible for MFIP, family income, after all allowable deductions are made, must be below the program's family wage level for a family of like size. To make the eligibility determination, the county agency calculates an applicant's net income in two steps. First, the county subtracts all allowable disregards and deductions from the applicant's gross monthly earnings, to determine the applicant's net monthly earned income amount. These disregards and deductions include:

- the first \$65 of earned income plus one-half of the remaining earned income per month (this earned income disregard provides an incentive for people to work);
- actual dependent care costs paid by the applicant caregiver, up to a maximum of \$200 per month for each child under age two, and \$175 per month for each child age two or older;

<sup>2</sup> Minnesota's annual TANF block grant amount is \$267,358,000. Of this total, \$4,550,816 goes directly to the Mille Lacs Band of Ojibwe and \$2,980,612 goes directly to the Red Lake Nation of Chippewa Indians for the operation of each Tribe's separate TANF program. The remainder is available for the state to help fund its welfare reform activities, which include MFIP.

- child support, spousal support, child care support, and medical support payments made by the applicant caregiver for the support of a person not living in the assistance unit's household; and
- an allocation for the unmet need of an ineligible spouse or child under age 21 who lives with the applicant caregiver and for whom the caregiver is financially responsible.

Second, the county adds all of the family's unearned income that is not otherwise excluded. The county compares the result to the applicable MFIP standard. If the result is at or below the standard, the family is eligible for MFIP.

### **MFIP Transitional Standard**

The transitional standard, the program's basic income standard for a family without earned income, is a combination of the cash portion and food portion, and is based on the number of eligible persons in the assistance unit. DCYF annually publishes the amount of the transitional standard.

**An eligible family's MFIP benefit is calculated** by subtracting the net earned income amount from a family wage level that is 110 percent of the transitional standard for the same size family.

If an eligible applicant family has only earned income, the county agency subtracts the net earned income amount from the family wage level for the same size family. The family's MFIP benefit is the difference between the family wage level and the net earnings, up to a maximum amount that is equal to the applicable standard for the same size family.

If an eligible family has both earned and unearned income, the county takes all unearned income that is not otherwise excluded and subtracts it, either: (1) from the difference calculated under the preceding paragraph if the difference is less than the applicable standard; or (2) from the applicable standard, if the difference is equal to or greater than that standard's amount. The calculated result is the family's total MFIP benefit.

If an eligible family has only unearned income, the county agency subtracts all unearned income that is not otherwise excluded from the applicable standard. The family's MFIP benefit is equal to the resulting amount.

If an eligible family has no income, the family's MFIP benefit is equal to the applicable standard.

**MFIP Monthly Income Standards  
(Effective October 1, 2024)**

Family Size	Transitional Standard	Family Wage Level
1	\$661	\$727
2	1,087	1,196
3	1,394	1,533
4	1,675	1,843
5	1,933	2,126
6	2,238	2,462
7	2,435	2,679
8	2,695	2,965
9	2,951	3,246
10	3,201	3,521
over 10	add \$249 for each additional member	add \$274 for each additional member

**\$50 Subsidized Housing Provision**

MFIP families who receive rental housing assistance through the federal Department of Housing and Urban Development (e.g., Section 8 assistance) have up to \$50 of the housing subsidy amount counted as unearned income when the family's MFIP benefit is calculated ([Minn. Stat. § 142G.31](#), subd. 6). The following families are permanently exempt from the \$50 housing provision:

- families where the caregiver is exempt from MFIP work requirements because the person is age 60 or over, or is certified to be ill, injured, or incapacitated
- families where the caregiver is exempt from MFIP work requirements because the person is needed in the home to care for a disabled or ill household member
- families where the parental caregiver receives federal Supplemental Security Income benefits

**For an ongoing participant** to continue to be eligible for MFIP, the county calculates net family income as follows.

When calculating a family's net income, a percentage of a participant's gross income is disregarded. The earned income disregard is equal to the first \$65 of earned income plus one-half of remaining earned income.

A new spouse to a caregiver in an existing assistance unit or the spouse designated by the newly married couple when both spouses were already members of an assistance unit, is exempt from having his or her income count toward the income of the assistance unit for 12

consecutive calendar months if the household income does not exceed 275 percent of federal poverty guidelines (FPG).<sup>3</sup>

## Asset Limits

The equity value of an assistance unit's personal property must not exceed \$10,000.<sup>4</sup> Personal property is limited to: (1) cash; (2) bank accounts; (3) liquid stocks and bonds that can be readily accessed without a financial penalty; (4) nonexcluded vehicles (one vehicle per assistance unit member age 16 or older will be excluded when determining the equity value of personal property); and (5) the full value of business accounts used to pay expenses not related to the business.

## Additional Eligibility Requirements for MFIP

To receive MFIP, families who meet the program's income and asset limits must also:

- have a minor child in the home (or be pregnant);
- be residents of Minnesota;
- be U.S. citizens, qualified noncitizens, or noncitizens otherwise lawfully residing in the United States;
- assign rights to child support;
- have received fewer than 60 months of assistance; and
- satisfy any other eligibility requirements of the program.

This section provides more information about each of these additional requirements.

### Minor Child

**Eligible families must have a minor child.** To receive MFIP assistance, a family must include at least one minor child or a pregnant woman.

### Residency and Citizenship

**Eligible families must be residents of Minnesota.** A resident is defined as an individual who has been domiciled in Minnesota for at least 30 days, with the intent to remain here. As long as one member of an MFIP assistance unit meets this 30-day residency requirement, the entire unit is considered to have met it. Time spent in a battered women's shelter counts towards this requirement.

Families facing an unusual hardship because they are without alternative shelter or without resources for food are exempt from the 30-day residency requirement. Migrant workers and

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<sup>3</sup> See [Minn. Stat. § 256P.06](#), subd. 2.

<sup>4</sup> See [Minn. Stat. § 256P.02](#), subd. 2.

their immediate families are also exempt from this requirement if the worker verifies that the migrant family earned at least \$1,000 in Minnesota within the last 12 months.

Eligible families must be citizens of the United States, qualified noncitizens, or noncitizens otherwise lawfully residing in the United States. Undocumented noncitizens and nonimmigrant<sup>5</sup> noncitizens are not eligible for MFIP.

The state is prohibited by the federal TANF law from using its federal block grant to pay for MFIP benefits to lawfully present noncitizen families, unless they fall into one of the categories specified as eligible in the federal law.

**Noncitizen eligibility for MFIP cash benefits.** The following table identifies the categories of noncitizens who are not eligible for MFIP, the categories for whom the state may use federal funds to provide MFIP cash benefits, and the categories for whom the state may not use federal funds, but instead use only state funds to provide MFIP cash assistance. The entry “N/A” in the table indicates categories where using state monies to provide cash assistance is not applicable, since federal TANF funds may be used to pay for the MFIP cash benefits of participants in those categories.

**MFIP Cash Benefits: Noncitizen Eligibility by Source of Funds**

Category of Noncitizen	Eligible for federally funded cash portion?	Eligible for state-funded cash portion?
Undocumented noncitizens	No	No
Nonimmigrant noncitizens	No, but there are exceptions for citizens of COFA <sup>6</sup> states	No, but there is an exception for U visa holders <sup>7</sup>

<sup>5</sup> A nonimmigrant is a person who is lawfully present in the United States, but who is not lawfully residing in the United States (because the person maintains a residence outside the United States). Nonimmigrants are generally admitted temporarily and for a limited purpose (e.g., tourists, foreign students).

<sup>6</sup> Compacts of Free Association are international agreements that govern the relationship between the United States and the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

<sup>7</sup> U visa holders are victims of certain crimes who have suffered mental or physical abuse and are helpful to law enforcement.

Category of Noncitizen	Eligible for federally funded cash portion?	Eligible for state-funded cash portion?
Refugees; asylees; Iraqi or Afghan special immigrants; persons granted Afghan or Ukrainian Humanitarian Parole and their immediate relatives while their parole period is active; persons granted withholding of deportation; Cuban/Haitian entrants; Amerasians from Vietnam; and victims of a severe form of trafficking <sup>8</sup>	Yes	N/A
Honorably discharged veterans or persons on active military duty, along with their spouses and dependent children	Yes	N/A
Lawful permanent residents <sup>9</sup> who entered U.S. before 8/22/96	Yes	N/A
Lawful permanent residents who entered U.S. on or after 8/22/96	Only after being in U.S. for five years or if they had a certain humanitarian or COFA immigration status prior to their adjustment to LPR status	If federal funds can't be used, state funds may be used if certain criteria are met <sup>10</sup>
Battered noncitizen who is the spouse or child of a citizen or lawful permanent resident, and who entered U.S. before 8/22/96	Yes	N/A

<sup>8</sup> A victim of severe forms of trafficking is a noncitizen who is forced into the international sex trade, prostitution, slavery, and forced labor through coercion, threats of physical violence, psychological abuse, torture, and imprisonment. The federal Trafficking Victims Protection Act of 2000 provides that victims of severe forms of trafficking are eligible for federal public assistance benefits to the same extent as a noncitizen who is admitted into the United States as a refugee.

<sup>9</sup> A lawful permanent resident is generally a person who has a "green card," which means the person has permission to live and work permanently in the United States and can apply for naturalization after living for five continuous years in the United States.

<sup>10</sup> All lawfully residing noncitizens who are not eligible for federal funding may be eligible for state funding if they meet other eligibility criteria for state-funded cash assistance.



Category of Noncitizen	Eligible for federally funded cash portion?	Eligible for state-funded cash portion?
Battered noncitizen who is the spouse or child of a citizen or lawful permanent resident, and who entered U.S. on or after 8/22/96	Only after being in U.S. for five years or if certain criteria are met <sup>11</sup>	If federal funds can't be used, state funds may be used if certain criteria are met
Noncitizens paroled into U.S. <sup>12</sup> for at least one year, before 8/22/96	Yes	N/A
Noncitizens paroled into U.S. for at least one year, on or after 8/22/96	Only after being in U.S. for five years or if certain criteria are met	If federal funds can't be used, state funds may be used if certain criteria are met
Noncitizens paroled into U.S. for less than one year; persons granted temporary permission to remain in U.S. (e.g., temporary protected status, <sup>13</sup> special immigrant juvenile status, lawful temporary residents); noncitizens applying for asylum, applicants for lawful permanent resident status; DACA recipients; American Indians born in Canada; people with deferred action; deterred enforced departure; and those under an order of supervision or stay of deportation who have work authorization	No	Yes

**Noncitizen eligibility for MFIP food benefits.** MFIP benefits also include a food portion that is funded with federal SNAP dollars. (See Benefits, page 16.) As part of the 1996 federal welfare reform act, noncitizen eligibility for the federal SNAP program was severely limited; however, the 2002 Farm Bill restored eligibility for many noncitizens. Because MFIP uses federal SNAP funding, these noncitizen eligibility restrictions apply to MFIP. However, when the MFIP law was originally enacted the state opted to make lawfully present noncitizen families who meet all other MFIP requirements eligible for the food portion, and to use only state monies to pay for the MFIP food portion for those families for whom federal SNAP funds may not be used.

<sup>11</sup> The criteria that allow for federal benefit eligibility include persons who have: (1) active duty military service or who are honorably discharged veterans and their spouses and unmarried dependent children (this does not include National Guard service); or (2) 40 qualifying work credits.

<sup>12</sup> A person is "paroled into the U.S." when the U.S. Justice Department uses its discretion to grant temporary admission to the United States for humanitarian, legal, or medical reasons.

<sup>13</sup> Temporary protected status is granted to a person living in the United States who is from a designated country where conditions make it unsafe for the person to return.

The decision to use state funds to provide the MFIP food portion to noncitizen families who were not eligible for federally funded food assistance was originally enacted for limited time periods and was scheduled to sunset on June 30, 1999. However, the 1999 Legislature made permanent the provision of state-funded food assistance to noncitizen MFIP families who are not eligible for federally funded food assistance.<sup>14</sup>

The following table identifies the categories of noncitizens who are not eligible for the food portion of MFIP, the categories for whom the state may use federal SNAP funds to provide MFIP food assistance, and the categories for whom the state may not use federal funds, but instead uses only state funds to provide MFIP food assistance.

### MFIP Food Portion: Noncitizen Eligibility by Source of Funds

Category of Noncitizen	Eligible for federally funded food portion?	Eligible for state-funded food portion?
Undocumented noncitizens	No	No
Nonimmigrant noncitizens	No, with exceptions for citizens of COFA states	No, with exceptions for U-visa holders
Refugees; Asylees; persons granted withholding of deportation; Iraqi or Afghan Special Immigrants; persons granted Afghan or Ukrainian Humanitarian Parole and their immediate relatives while their parole period is active; Cuban/Haitian entrants; Amerasians from Vietnam; and victims of a severe form of trafficking	Yes	No
Honorably discharged veterans or persons on active military duty, along with their spouses and dependent children	Yes	No
Immigrants who are lawfully residing in U.S. <sup>15</sup> and who are receiving federal assistance payments for blindness or disability (i.e., SSI or SSDI)	Yes	No
Immigrants who were lawfully residing in U.S. on 8/22/96 who were age 65 or older on that date	Yes	No
Immigrant children lawfully residing in U.S. who are currently under age 18	Yes	No

<sup>14</sup> See [Minn. Stat. § 142G.11](#), subd. 2.

<sup>15</sup> The category of “lawful permanent residents” is not the same as the category of immigrants “who were lawfully residing in the U.S.” The first category covers a smaller group than the second category, because an immigrant can be lawfully residing in the United States, but not have lawful permanent resident immigration status.

Category of Noncitizen	Eligible for federally funded food portion?	Eligible for state-funded food portion?
American Indians born in Canada who have at least 50% Indian blood and other noncitizen American Indian applicants who are members of a Tribe that is eligible for U.S. programs	Yes, only after residing in the U.S. for five years from the date they became lawful permanent residents	Yes, if federal funds can't be used
Persons lawfully residing in U.S. who were members of a Hmong or highland Laotian Tribe who assisted U.S. armed forces during the Vietnam era and their spouses, dependent children, and unremarried widows/widowers	Yes	No
Lawful permanent residents, regardless of date admitted, who don't meet one of above qualifications	Only if lawfully residing in the U.S. for at least five years, had a prior eligible status, or have 40+ quarters of work history in U.S.	Yes, if federal funds can't be used and certain other criteria are met
Battered noncitizen who is the spouse or child of a citizen or lawful permanent resident, and who doesn't meet one of the above qualifications, regardless of date admitted	No	Yes
Noncitizens paroled into U.S. for at least one year, who don't meet one of the above qualifications, regardless of date admitted	No	Yes
Noncitizens paroled into U.S. for less than one year; persons granted temporary permission to remain in U.S. (e.g., temporary protected status, special immigrant juvenile status, lawful temporary residents); noncitizens applying for asylum; applicants for lawful permanent resident status; DACA recipients; American Indians born in Canada; people with deferred action; people with deferred enforced departure; and those under an order of supervision or stay of deportation who have work authorization	No	Yes

The state MFIP law has two other requirements that affect a lawfully present noncitizen's eligibility for MFIP. First, if the noncitizen has a sponsor who executed an affidavit of support, the county must deem, or count as if it were the noncitizen's, the income and assets of the

noncitizen's sponsor and the sponsor's spouse in determining the noncitizen's eligibility for MFIP.<sup>16</sup>

Second, in cases where a noncitizen's benefits are funded entirely with state money, the MFIP law also requires that, unless exempted, a legal adult noncitizen receiving MFIP who is under 70 years of age and has been a lawful permanent resident for at least four years must make specified efforts to pursue English literacy, English as a Second Language proficiency, or U.S. citizenship in order to remain eligible for MFIP.<sup>17</sup>

## Child Support

**Eligible families must assign rights to child and spousal support, child care support, and medical support.** MFIP participants must assign all rights to child support, spousal support, and child care support, if applicable, to the state. Families who fail to assign these rights are not eligible for MFIP.<sup>18</sup> The state distributes, or passes through, all current child support and maintenance collections to MFIP participants. The child support payments are treated as unearned income when calculating MFIP eligibility and benefit amounts. Up to \$100 in child support payments for an assistance unit with one child and up to \$200 for an assistance unit with two or more children is excluded from income.<sup>19</sup> (For more information about child support, see [Minnesota's Child Support Laws](#), House Research Department, December 2024.)

MFIP participants must also cooperate with county child support enforcement efforts. Unless the participant has a good cause exemption from cooperating, noncooperation makes the participant subject to sanctions. (See Sanctions, page 26.)

## Time Limits

**Eligible families must have received fewer than 60 months of AFDC or MFIP assistance since July 1, 1997.** The federal TANF law sets a **lifetime limit of 60 months** for assistance units that include an adult who receives assistance using federal TANF money.<sup>20</sup>

The state MFIP law specifies several situations where time spent on MFIP does not count towards the 60-month lifetime limit on assistance. MFIP caregivers who are age 60 or over are exempt from the 60-month lifetime limit on assistance. For an adult who is receiving MFIP and

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<sup>16</sup> See [Minn. Stat. § 142G.31](#), subd. 4.

<sup>17</sup> See [Minn. Stat. § 142G.11](#), subd. 3.

<sup>18</sup> If an MFIP participant fails to assign rights to medical support, if applicable, to the state, the participant is not eligible for Medical Assistance (MA) benefits.

<sup>19</sup> See [Minn. Stat. § 256P.06](#), subd. 3, clause (2).

<sup>20</sup> Minnesota began counting participants' time on assistance towards this 60-month limit in July 1997. Most of the first families started to reach this time limit in July 2002. Some families may have reached the time limit before July 2002 because they accrued months of TANF assistance in a state that implemented time limits earlier than Minnesota.

lives in Indian Country,<sup>21</sup> months when at least 50 percent of the adults in Indian Country are not employed do not count towards the 60-month limit. Months when a family receives payments provided to meet short-term needs under the MFIP consolidated fund or diversionary work benefits also do not count towards the 60-month limit. (See Eligibility for Other Programs, page 18.)

For an MFIP caregiver who is a victim of family violence, months when the person is complying with a safety plan, an alternative employment plan, or a family violence waiver do not count towards the 60-month limit. (See Special Provisions for Victims of Family Violence, page 26.) Participants extended for this reason are required to participate in Family Stabilization Services and meet that program's requirements. (See Family Stabilization Services, page 19.)

For custodial parents who are under age 20, time spent on MFIP as a teen caregiver does not count towards the 60-month limit, as long as the teen complies with the program's special requirements for teen caregivers. (See Special Requirements for Caregivers under Age 20, page 23.)

**Some families may be eligible for MFIP after they reach the 60-month limit.** An extension is when assistance is provided to families who are subject to and who reach the time limit if the family meets certain criteria. Under the federal TANF law, a state may provide TANF-funded assistance to families who have reached the 60-month limit, for up to 20 percent of the state's caseload on the basis of hardship, or if the family includes someone who has been subject to domestic violence. A state may also provide assistance to more than 20 percent of its caseload if it uses state-only funds.

The 2001 Legislature authorized the extension of assistance to certain groups of hardship cases.<sup>22</sup> Families that reach the time limit and meet the following criteria are eligible for an extension:

- **Ill or incapacitated.** Participants who are ill or incapacitated; are needed in the home to care for a household member who is ill or incapacitated; or have a household member who meets certain disability or medical criteria. Participants extended for this reason are required to participate in Family Stabilization Services and meet that program's requirements. (See Family Stabilization Services, page 19.)
- **Hard to employ.** Participants who: are diagnosed as having a developmental disability or mental illness, and that condition severely limits the person's ability to obtain or retain suitable employment; are considered unemployable or are employable, but employability is limited due to a low IQ; have a learning disability; or have been granted a family violence waiver and are complying with an employment plan. Participants extended for this reason are required to participate in Family Stabilization Services and meet that program's requirements. (See Family Stabilization Services, page 19.)

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<sup>21</sup> Indian Country is a term that is generally defined under federal law as including Indian reservations, dependent Indian communities, and Indian allotments ([18 U.S.C. § 1151](#)).

<sup>22</sup> See [Minn. Stat. § 142G.42](#).

- **Employed participants.** A one-parent family in which the parent is participating in work activities for at least 30 hours per week, of which an average of at least 25 hours per week are spent in employment; a two-parent family if the parents are participating in work activities for at least 55 hours per week, of which an average of at least 45 hours per week are spent in employment; or an assistance unit in which a participant is participating in employment for fewer hours than those specified for a one-parent family and the participant submits verification stating that the number of hours the participant may work is limited due to illness or disability.

In general, families who receive an extension may continue to receive MFIP assistance until the family no longer meets the extension criteria or the MFIP eligibility requirements. Families who receive an extension for the hard-to-employ or employed participants must continue to meet the MFIP employment and training requirements. Families who do not comply with the requirements are subject to a sanction.

Counties may request an extension for a category of participants that are not already extended, as long as the extension is for participants who are unable to meet MFIP requirements due to other statutory requirements or obligations. An example of such a category might be a group of participants who are required by the court to attend a substance use disorder treatment program and attendance would prevent the participant from meeting the hourly work requirements for an extension. DCYF must approve a county's request to extend a category of participants, and the commissioner must report the extensions to the legislature by January 15 of each year. The legislature must act in order for the extensions to continue, or the extensions granted during the previous calendar year expire on June 30.

### **Other Special Requirements for and Prohibitions Against Eligibility**

In a few special cases, the MFIP law imposes additional conditions for eligibility or prohibits eligibility altogether.

**MFIP assistance is not available for minor custodial parents, unless they and their child live in the household of a parent, legal guardian, or other adult relative, or in adult-supervised supportive living arrangements.**<sup>23</sup>

#### **MFIP is not provided to:**

- fugitive felons and parole and probation violators; or

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<sup>23</sup> Exceptions to this include circumstances in which: the minor parent has no living parent, other adult relative, or legal guardian whose whereabouts are known; the minor parent lived apart from the minor parent's own parent or legal guardian for at least one year before either the birth of the minor child or the minor parent's application for MFIP; and an adult-supervised supportive living arrangement is not available for the minor parent and child in the county in which the minor parent and child currently reside. See [Minn. Stat. § 142G.14](#).

- persons who have fraudulently misrepresented residency to obtain assistance simultaneously in two or more states.<sup>24</sup> (In this case, MFIP is not provided for ten years.)

## Operation of the Tribal TANF Programs

Two Minnesota Tribes, the Mille Lacs Band of Ojibwe and the Red Lake Band of Chippewa Indians, operate separate Tribal TANF programs.

The Mille Lacs Band of Ojibwe's Tribal TANF program follows some of the same basic framework as MFIP, using the same grant amounts and following some of the other MFIP requirements. The Band also imposes a 60-month limit on assistance, but uses non-TANF funds to provide assistance to families beyond the time limit.

Some of the features of the Band's program are different from MFIP:

- The Band's Tribal TANF program has some additional types of sanctions: for failure to achieve negative results on an employer-administered drug test; for failure to keep a minor child in school; and for abuse, neglect, or domestic violence in the family.
- The state must release child support collections, except for medical and child care support, to a Tribal TANF recipient who has assigned the support rights to the state and who is cooperating with child support requirements.
- The Band's Tribal TANF program disregards 75 percent of child support income per month in calculating the amount of a recipient family's cash grant, if the family is in compliance with employment services requirements.<sup>25</sup>
- Tribal TANF appeals are heard by the Band.
- The Band does not count the \$50 housing subsidy as income (see page 5 for more information on the \$50 subsidized housing provision).

The Band's Tribal TANF program began operating January 1, 1999, in a six-county area covering Aitkin, Crow Wing, Morrison, Benton, Mille Lacs, and Pine Counties. On April 1, 2005, the program was expanded to serve Minnesota Chippewa Tribal members residing in Anoka, Hennepin, or Ramsey Counties on a voluntary basis. In September 2022, the program was expanded to Kanabec and Chisago Counties.

The Red Lake Band of Chippewa Indians began operating a Tribal TANF program on January 1, 2015, in a two-county area covering Beltrami and Clearwater Counties. Eligible families must have at least one assistance unit member who is a citizen of the Red Lake Band of Chippewa Indians or is enrolled or eligible to be enrolled with another federally recognized Tribe and reside within the boundaries of the Red Lake Nation. In 2016, administration of SNAP, Child

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<sup>24</sup> See [Minn. Stat. 142G.18](#).

<sup>25</sup> MFIP allows a disregard for child support of up to \$100 for an assistance unit with one child and up to \$200 for an assistance unit with two or more children.

Care Assistance, and health care programs was also transferred to the Red Lake Band of Chippewa Indians.

Some of the features of the Red Lake Band's program are different from MFIP, including the following:

- The Band imposes some additional types of sanctions.
- School attendance is mandatory for Red Lake Band assistance units headed by a minor.
- The Band allows cultural activities to be provided under employment services.

## Benefits

MFIP benefits are based on family size, with the MFIP grant composed of a cash portion and a food portion.<sup>26</sup> Counties issue both the cash and the food portion of an MFIP family's grant in electronic debit card form, called EBT (Electronic Benefits Transfer). However, the two kinds of benefits are electronically segregated on the family's EBT card. This ensures that the family can only use the food portion of their MFIP benefit to purchase food items that are approved under the federal SNAP program, from a retailer that has been approved under that program. There are no such restrictions on the cash portion of the MFIP benefit; the family accesses these benefits through automatic teller machines (ATMs).

There are certain locations at which no person may obtain cash benefits through the use of an EBT card, including gambling establishments, tattoo parlors, liquor stores, and tobacco stores. Additionally, EBT cards cannot be used to purchase tobacco products or alcoholic beverages. EBT cardholders are also limited to using the cash portion on the EBT card in Minnesota and the surrounding states.<sup>27</sup>

A recipient found to be guilty of using an EBT card to purchase prohibited items is disqualified from receiving assistance for one year for the first offense, two years for the second offense, and permanently for the third offense.

Beginning October 1, 2021, both the cash and food portion of the transitional standard are annually adjusted for inflation. Prior to October 1, 2021, only the food portion of the transitional standard was annually adjusted for inflation.

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<sup>26</sup> MFIP families receive the food portion of assistance as a part of the MFIP grant, instead of receiving a separate benefit through the federal SNAP program. The MFIP food portion uses the same EBT mechanism to deliver the food benefits as the SNAP program does.

<sup>27</sup> See [Minn. Stat. § 142A.13](#), subs. 2, 3, and 12.



**MFIP Assistance Standards  
(Effective October 1, 2024)**

Family Size	Full Transitional Standard	Food Portion	Cash Portion
1	\$661	\$242	\$419
2	1,087	445	642
3	1,394	638	756
4	1,675	814	861
5	1,933	981	952
6	2,238	1,195	1,043
7	2,435	1,301	1,134
8	2,695	1,481	1,214
9	2,951	1,661	1,290
10	3,201	1,844	1,357
over 10 (add for each additional member)	249	185	64

**“Opting Out” of the Cash Portion of MFIP Grant**

The 1998 Legislature amended the MFIP law to allow an MFIP family to choose to discontinue receiving the cash portion of their MFIP grant. Once a family does not receive the cash portion of the MFIP grant, their subsequent months on MFIP do not count towards the family’s 60-month lifetime limit on assistance. However, the family still receives the other benefits of MFIP, such as the MFIP food portion and MFIP Child Care Assistance; the other requirements of MFIP still apply to the family.

**MFIP benefits are vendor paid**<sup>28</sup> for persons convicted of a felony drug offense committed during the previous ten years from the date of application. These individuals may also be subject to random drug testing.<sup>29</sup>

<sup>28</sup> “Vendor payment” means a payment authorized by a county agency to a vendor. (See [Minn. Stat. § 142G.02](#), subd. 100.)

<sup>29</sup> See [Minn. Stat. § 142G.18](#).

**MFIP benefits are issued in the form of protective payments** for minor custodial parents<sup>30</sup> on MFIP; that is, the grant is paid to another individual on behalf of the minor MFIP caregiver and the minor caregiver's child.

## Eligibility for Other Programs

Eligibility for MA is not automatic and is determined separately from MFIP eligibility. MFIP participants are eligible for MA if they meet income, asset, and other eligibility requirements that apply to families and children under MA. Families who do not meet the criteria for MA can apply for MinnesotaCare.

MFIP participants who are working or otherwise involved in the employment and training services component of MFIP are eligible for assistance with their child care costs through the MFIP Child Care Assistance Program.<sup>31</sup>

Counties also screen MFIP applicants to see if they are eligible for the Diversionary Work Program or other short-term assistance.

## Diversionary Work Program (DWP)

DWP was established by the 2003 Legislature; it was repealed by the 2023 Legislature, effective March 1, 2026.<sup>32</sup> DWP provides short-term diversionary benefits to eligible recipients. DWP benefits are designed to lead to unsubsidized employment, increase economic stability, and reduce the risk of families needing longer-term assistance.

Families who meet the DWP eligibility requirements are prohibited from receiving MFIP assistance. However, counties may provide supportive and other allowable services funded by the MFIP consolidated fund. Eligibility for DWP is limited to a maximum of four consecutive months once in a 12-month period.

All families who apply and are eligible for MFIP must first participate in the DWP, with certain exceptions. To be eligible for DWP, participants must:

- cooperate with child support enforcement;
- provide the Social Security numbers of all family members; and
- develop an employment plan.

All DWP caregivers must participate in a DWP employment plan, except caregivers who meet certain criteria.

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<sup>30</sup> See [Minn. Stat. § 142G.14](#).

<sup>31</sup> Families who leave MFIP due to either an increase in income from earnings or an increase in child or spousal support payments may be eligible for 12 months of Child Care Assistance through the Transition Year Child Care Assistance Program.

<sup>32</sup> [Laws 2023, ch. 70](#), art. 10, § 98.

A family's eligibility for DWP cash benefits is based on the number of persons in a family unit, the family maintenance needs, personal needs allowance, and countable income. Housing and utilities must be vendor paid. The minimum cash benefit amount is \$10 per month. Counties must convert or refer participants to MFIP if the county determines that a participant is unlikely to benefit from DWP.

The goal of DWP is to divert families from MFIP by providing short-term assistance and intensive employment services. A family receiving DWP may also receive SNAP, but is ineligible for MFIP during the period of time covered by DWP.<sup>33</sup>

## **MFIP Consolidated Fund Short-Term Benefits**

The MFIP consolidated fund<sup>34</sup> allows for short-term nonrecurring shelter and utility needs to be expended for eligible families. Eligibility requirements include presence of a minor child in the household and income below 200 percent of the federal poverty guidelines. Counties must give priority to families currently receiving MFIP, DWP services, or Family Stabilization Services.

## **Family Stabilization Services**

In 2007, the legislature established the Family Stabilization Services program<sup>35</sup> to serve families who are not making significant progress within the regular employment and training track of MFIP due to a variety of barriers to employment. Participants in MFIP or DWP may be eligible for Family Stabilization Services if the participant meets the hardship extension requirements for MFIP (but is not approaching the 60th month of MFIP participation), has applied for Supplemental Security Income or Social Security disability insurance, is a noncitizen in the United States for 12 or fewer months, or is age 60 or older.

Family Stabilization Services are provided through the county agency or employment services provider. If a participant already has a case manager through social services, disability services, or housing services, that case manager may also be the case manager for family stabilization services. A family stabilization plan must be established for each participating family in conjunction with the participant.

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<sup>33</sup> The months during which a family receives DWP benefits do not count toward the MFIP 60-month time limit.

<sup>34</sup> See [Minn. Stat. § 142G.76](#).

<sup>35</sup> See [Minn. Stat. § 142G.75](#).

## Housing Assistance Grants

MFIP assistance units are eligible for a housing assistance grant of \$114 per month<sup>36</sup> unless:

- 1) the housing assistance unit is currently receiving public and assisted rental subsidies provided through the federal Department of Housing and Urban Development and is subject to the \$50 subsidized housing provision; or
- 2) the assistance unit is a child-only case.

## Other MFIP Features and Requirements

### Employment and Training

MFIP is designed to be a welfare program that expects, supports, and rewards work. MFIP caregivers are required to spend a specified number of hours per week engaged in work or other work activity.<sup>37</sup> For example, a caregiver who is in the initial job search step of MFIP's employment and training component is expected to spend an average of 30 hours per week, for up to three months, in job search activities.<sup>38</sup>

During the other steps of the MFIP employment and training process, a single-parent family with at least one child under age six must participate in at least 87 hours of work activities per month; a single-parent family with no children under age six must participate in at least 130 hours of work activities per month; and a two-parent family must participate in at least 55 hours per week (hours are combined).<sup>39</sup>

Both single- and two-parent families are required to meet the program's work requirements within one month of receiving the first MFIP grant.

MFIP has special requirements for custodial parents who are under age 20 and lack a high school diploma or its equivalent.<sup>40</sup> These requirements begin when a teen parent receives the first MFIP monthly grant. (See Special Requirements for Caregivers under Age 20, page 23.)

### Federal TANF Work Requirements

The federal Temporary Assistance for Needy Families (TANF) law (PRWORA, Pub. L. No. 104-193) sets strict work participation requirements for the families who receive assistance under

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<sup>36</sup> Beginning October 1, 2024, the MFIP housing assistance grant must be adjusted for inflation each October 1. (See [Minn. Stat. § 142G.32](#).)

<sup>37</sup> Some caregivers are exempt from employment and training services requirements.

<sup>38</sup> See [Minn. Stat. § 142G.56](#), subd. 2.

<sup>39</sup> See [Minn. Stat. § 142G.51](#), subd. 1.

<sup>40</sup> See [Minn. Stat. § 142G.57](#).

state welfare programs, such as the Minnesota Family Investment Program (MFIP), that are paid for in part with federal TANF funds.

MFIP participants must work for at least the number of hours per week that are specified in the federal law. The federal minimum weekly work requirements are slightly different than the minimum weekly work requirements that are in the MFIP state law. The federal TANF law also specifies percentages of all families and of two-parent families on a state's program who must meet the federal weekly work requirements.

The federal work participation requirements are listed in the following tables.

### Federal Work Participation Requirements for All Families

Federal Fiscal Year	All participant families		
	Required hours of work per week		Percentage of MFIP families who must meet requirement
	If all children are over six	If at least one child is under six	
1998	20	20	30%
1999	25	20	35%
2000	30	20	40%
2001	30	20	45%
2002 +	30	20	50%

The percentage of families who must meet the work requirement is also called the "participation rate." Under the federal law, a state's required participation rate is reduced by 1 percent for each 1 percent reduction in the number of cases on the state's welfare program in the year compared to the average monthly number of TANF cases in federal fiscal year 2005.<sup>41</sup> This "caseload reduction credit" can result in a state's target work participation rates being lower than the percentages shown in the tables on this page and the following page.

<sup>41</sup> The caseload reduction credit used to be calculated based on the number of AFDC cases in federal fiscal year 1995. However, the Deficit Reduction Act of 2005 changed the base year to 2005. Since many AFDC and MFIP cases were closed prior to 2005, this makes the required work participation rates (which remained the same) harder to achieve.

### Federal Work Participation Requirements for Two-parent Families

Federal Fiscal Year	Required weekly hours of work (both parents combined) if don't utilize federally funded Child Care Assistance	Percentage of MFIP families who must meet requirement	Required weekly hours of work (both parents combined) if do utilize federally funded Child Care Assistance	Percentage of MFIP families who must meet requirement
1998	35	75%	55	75%
1999-present	35	90%	55	90%

If a state does not meet the federal work participation requirements, it is subject to losing a portion of its federal TANF block grant funds. The state MFIP law specifies that in the event the federal HHS imposes a fiscal sanction on Minnesota for failing to meet the federal work requirements, the state must pay 88 percent of the sanction. Counties must pay the remaining 12 percent of the sanction, each county in proportion to its percentage of the average monthly MFIP caseload ([Minn. Stat. § 142G.79](#)).

In federal fiscal year 2023 (October 1, 2022, to September 30, 2023), Minnesota's target work participation rate for all MFIP families, after the allowable caseload reduction credits were applied, was 3.2 percent. Minnesota's caseload reduction rate was 46.8 percent. Minnesota's 2023 work participation rate was 21.7 percent, meaning the state met the required work participation rate.

### Employment and Training Services Providers

The MFIP law allows counties to choose from among three types of employment and training services providers: agencies with which a county has contracted to provide employment and training services; a county agency that has opted to provide employment and training services as its own provider; and a local public health department that a county has designated to provide employment and training services.<sup>42</sup>

Each county, or group of counties working cooperatively, must offer MFIP employment services participants a choice of at least two employment and training providers, unless doing so would be a financial hardship for a county. A county may choose to provide services on its own as one of these providers. A county can also meet this provider choice requirement by using a workforce center<sup>43</sup> that uses multiple employment and training services and offers multiple service options as its employment and training services provider.

<sup>42</sup> See [Minn. Stat. § 142G.50](#).

<sup>43</sup> A workforce center brings together state, county, and private nonprofit employment and training-related services under one roof, to provide a seamless and comprehensive system for job seekers and employers. There are 49 workforce centers throughout the state.

In two-parent MFIP families, each parent must choose the same employment and training services provider, unless a parent has an identified special need that is not available through the provider being used by the other parent.

## **Employment and Training Services Process for MFIP Participants**

MFIP participants must participate in MFIP employment and training activities or face the possibility of a sanction (see page 26).

The county's employment and training service provider (whose staff are generally called "job counselors") first provides an overview of the employment and training component of MFIP. The job counselor then conducts an assessment of an MFIP participant's ability to obtain and retain employment. If the job counselor's opinion is the person is likely to be able to obtain unsubsidized employment, the person is required to conduct up to three months of job search, at 30 hours per week,<sup>44</sup> and accept any offer of suitable employment.<sup>45</sup> Employment plan activities and hourly requirements may be adjusted, as necessary, to accommodate the personal and family circumstances of participants. Employment plans must be reviewed every three months.

## **Special Requirements for Caregivers under Age 20**

### **Individual Assessment Required**

The employment and training requirements are different if the MFIP caregiver is a custodial parent under age 20. The county must document the teen caregiver's educational level. If the teen has not obtained a high school diploma or its equivalent, the county must also assess the teen's educational progress and needs, unless the caregiver is exempt from attending school or has chosen to have an employment plan. The purpose of this individual assessment is to identify an appropriate educational option for the teen. If the teen caregiver is a minor, the county social services agency conducts this assessment. If the teen caregiver is 18 or 19 and chooses to have an employment plan with an education option, the job counselor conducts this assessment (unless the county opts to have the county social services agency conduct this assessment for these older teens).

### **Education Is Teen's First Option**

If the individual assessment identifies an appropriate educational option for the teen, the teen caregiver's employment plan must require the teen to complete the educational option as the teen's first goal.

The MFIP law requires an MFIP caregiver who is a custodial parent under age 20 and who has not yet obtained a high school diploma or its equivalent to attend high school or another equivalent training program. If this is the case, the 60-month MFIP limit stops while the teen

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<sup>44</sup> In a two-parent family, the job search requirement is 30 hours per week for each parent.

<sup>45</sup> MFIP defines "suitable employment" as work that is within the person's physical and mental abilities, pays at least minimum wage, meets applicable health and safety standards, and complies with antidiscrimination laws.

pursues his or her education. A teen caregiver who does not attend school faces the possibility of a sanction (see page 26), unless one of a limited number of exemptions applies:

- transportation to attend school is unavailable
- appropriate child care is unavailable
- the teen caregiver is ill or incapacitated seriously enough to prevent attending school
- the teen caregiver is needed to care for an ill or incapacitated household member (including a child under six weeks of age)

### **Employment and Training When Education Is Not Appropriate**

The individual assessment may indicate that an MFIP teen caregiver does not have an appropriate educational option, even though the teen lacks a high school diploma. If the teen is age 18 or 19, the general MFIP employment and training services requirements apply, and the job counselor and teen must develop an employment plan. If the teen is under age 18, the teen must be referred to the county's social services agency, where a plan for the teen parent and child must be developed.<sup>46</sup>

If an MFIP caregiver is a custodial parent who is under age 20 and has a high school diploma or its equivalent, the general MFIP employment and training services requirements apply. However, a county may opt to have a social services agency conduct the required initial assessment and complete the job search support or employment plan.

### **What Counts as Work**

In MFIP, a work activity is "any activity in a participant's approved employment plan that leads to employment" ([Minn. Stat. § 142G.50](#), subd. 11). The statute also specifies that this includes activities that meet the definition of work activity under the participation requirements of TANF. (See page 20 for a discussion of the federal work requirements.)

Job search activities, and all of the activities in a person's employment plan, count as work activities for the purpose of meeting the MFIP hourly work requirements. The MFIP definition of work activity includes, but is not limited to, any of the following nine activities:

- 1) Unsubsidized employment, including work study and paid apprenticeships or internships
- 2) Subsidized private or public sector employment, including grant diversion, on-the-job training, paid work experience, and supported work
- 3) Uncompensated work experience, including the community work experience program, community service, uncompensated apprenticeships or internships, and supported work

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<sup>46</sup> An 18- or 19-year-old custodial parent who has been receiving services from a social services agency, and who does not yet have a high school diploma, may choose whether to continue to receive services from the social services agency or to instead use an employment and training services provider ([Minn. Stat. § 142G.57](#), subd. 2).



- 4) Job search, including job readiness assistance, job clubs, job placement, job-related counseling, and job retention services
- 5) Job readiness education, including English as a second language or functional work literacy classes, general educational development course work or adult high school diploma, high school completion, and adult basic education
- 6) Job skills training directly related to employment, including postsecondary education and training that can reasonably be expected to lead to employment
- 7) Providing child care services to a participant who is working in a community service program
- 8) Activities included in the employment plan
- 9) Pre-employment activities, including chemical and mental health assessments, treatment, and services; learning disability services; child protective services; family stabilization services; or other programs designed to enhance employability

Generally, MFIP is designed to give the job counselor a great deal of discretion in approving activities for inclusion in a participant's job search support plan or employment plan. However, the 2003 Legislature limited that discretion by providing that English as a second language classes are an approved work activity only for participants who are below a specified level on a nationally recognized test ([Minn. Stat. § 142G.59](#), subd. 2).

### **Postsecondary Education as a Work Activity**

Participants who are interested in pursuing postsecondary education or training as part of their employment plan must discuss their plans with their job counselor. Job counselors must work with participants to evaluate options by:

- 1) advising whether there are suitable employment opportunities that require the specific education or training in the area in which the participant resides or is willing to reside;
- 2) assisting the participant in exploring whether the participant can meet the requirements for admission into the program; and
- 3) discussing the participant's strengths and challenges based on the participant's MFIP assessment, previous education, training, and work history.

These requirements do not apply to participants who are in:

- 1) a recognized career pathway program that leads to stackable credentials (a series of credentials that can be accumulated to help an individual move along a career pathway);
- 2) a training program lasting 12 weeks or fewer; or
- 3) the final year of a multiyear postsecondary education or training program.

The MFIP law also requires a participant for whom a postsecondary education or training program has been approved to maintain satisfactory progress in the program.

Under MFIP, postsecondary education is limited to four years ([Minn. Stat. § 142G.58](#)).

A person who has completed a postsecondary education or training program and does not meet the work participation requirements must complete three months of job search. If, at the end of three months, the person has not found a job that is consistent with the person's employment goal, the person must accept any offer of suitable employment, or meet with the job counselor to revise the employment plan to include additional work activities necessary to meet hourly requirements.

### **Exception from Employment and Training Requirements**

There are limited exceptions from the requirement to participate in the MFIP work requirements. One exception applies to families with a child under 12 months of age. The exception is available only once in a lifetime and applies to any child born to the family.

All MFIP caregivers must participate in employment services ([Minn. Stat. § 142G.52](#)). Employment plans must meet specified requirements, contain allowable work activities, and include a specified number of participation hours. Minor caregivers and caregivers who are under age 20 who have not completed high school or obtained a GED must meet specified requirements. Employment plans for participants who meet certain other criteria must be tailored to recognize the special circumstances of these caregivers and families.

### **Special Provisions for Victims of Family Violence**

An MFIP caregiver who is a victim of family violence may have the regular MFIP work requirements waived if the county agency has approved the person's employment plan and the person is complying with the plan.

The primary purpose of an employment plan for a victim of violence is "to ensure the safety of the caregiver and children" ([Minn. Stat. § 142G.](#), subd. 3). It may address safety, legal, or emotional issues and other demands on the family as a result of the family violence. A victim of family violence is not automatically deferred or exempt from regular MFIP work requirements. It is up to the job counselor and a person trained in domestic violence to determine whether participation in work requirements would compromise the safety of the caregiver and children.

### **Sanctions**

Another important feature of MFIP is its sanctions.<sup>47</sup> The program has requirements that participants are expected to follow, such as attending the MFIP orientation, cooperating with child support enforcement efforts, developing and following the job search support plan or employment plan, and accepting an offer of suitable employment. A participant who does not follow a program requirement faces a sanction for noncompliance until one month after the participant comes into compliance with the requirements.<sup>48</sup>

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<sup>47</sup> The sanctions described in this section will be streamlined effective May 1, 2026. (See [Laws 2023, ch. 70](#), art. 10, §§ 59-61 and 98, para (b).)

<sup>48</sup> See [Minn. Stat. § 142G.70](#).

In general, for the first occurrence of noncompliance, the family's monthly grant is reduced by an amount that is equal to 10 percent of the transitional standard for a family of that size. (See page 17 for a table listing the MFIP transitional standard by family size.) For a second, third, fourth, fifth, or sixth occurrence of noncompliance, the family's shelter costs are vendor paid up to the amount of the family's cash portion of their MFIP grant. (A county may opt to also vendor pay the family's utilities as part of this sanction.) Any remaining cash portion of the grant, and the food portion of the family's MFIP grant, is reduced by an amount equal to 30 percent of the applicable standard for a family of that size. Once a family's cash portion is being vendor paid as a result of a sanction, the vendor payments stay in effect until six months after the participant returns to compliance with MFIP requirements.

For a seventh occurrence of noncompliance by a participant in an assistance unit, or when the participants in a two-parent assistance unit have a total of seven occurrences of noncompliance, the county agency is required to close the MFIP case, both the cash and food portions, and redetermine the family's continued eligibility for food support payments. The case must remain closed for a minimum of one full month.

Sanctions for participants who are receiving an extension for hard-to-employ or employed participants follow the same sequence, except the family is disqualified for a fourth occurrence of noncompliance. The disqualified family may reapply for MFIP after the participant is in compliance for up to one month, but no assistance is paid during that month. If a disqualified participant reapplies for MFIP and has a second occurrence of noncompliance, the participant is permanently disqualified.

The MFIP law provides for slightly different levels of sanctions if the participant is being sanctioned for refusing to cooperate with child support requirements, or if the participant faces a dual sanction for refusing to cooperate with child support requirements as well as failing to comply with other program requirements. In all cases, each month that a participant does not follow a program requirement is considered a separate occurrence of noncompliance.

## Funding and Expenditures

MFIP is funded with a combination of federal funds and state appropriations. The TANF block grant for each state is based on the state's historical expenditures for AFDC, JOBS (the old AFDC work and training program), and AFDC emergency assistance. Minnesota received approximately \$268 million<sup>49</sup> annually in TANF block grant funding in federal fiscal years 1998 to 2023. The state legislature must appropriate federal TANF funds before the state can spend them.

Under the federal TANF law, a state must also spend its own resources to provide assistance to needy families. The federal law includes a maintenance of effort (MOE) provision that requires

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<sup>49</sup> Minnesota's TANF block grant amount is \$267.358 million each year. Of this amount, \$4,550,816 is allocated directly to the Mille Lacs Band of Ojibwe and \$2,980,612 goes directly to the Red Lake Nation of Chippewa Indians for the Tribal TANF programs. This leaves the state with an effective annual block grant of \$259.826 million.

a state to spend 75 percent to 80 percent of the amount it spent in federal fiscal year 1994 under its old AFDC and related programs, including Child Care Assistance to eligible families.<sup>50</sup>

In 2001, the legislature placed two-parent MFIP families in a separate state program, which means that assistance paid to these families is paid for using state-only dollars. Previous to TANF’s reauthorization under the Deficit Reduction Act (DRA) of 2005, these two-parent families were not included in the federal two-parent family work participation rate of 90 percent. This resulted in a reduction of the state’s required MOE from 80 percent to 75 percent. With the passage of the DRA, these two-parent families were included in work participation rates. In response, the legislature in 2006 moved two-parent families to a new program that is no longer used for TANF/MOE purposes. In state fiscal year 2024, the required minimum MOE amount was \$174.7 million per year. The state currently uses general fund spending on MFIP cash assistance benefits, MFIP and Basic Sliding Fee Child Care, and the state working family tax credit, as well as general fund spending on state and county administrative costs and employment services, to meet its TANF/MOE requirement.

According to DHS, for state fiscal year 2023, total expenditures for MFIP and DWP were \$313.2 million. Expenditures were \$157.6 million for the cash portion of the grants and housing assistance grants and \$155.6 million was for the food portion. Of the total, \$90.6 million was financed with federal TANF funds, \$154.8 million was from federal SNAP funds, and \$67.8 million was from state appropriations.

**Fiscal Year 2023 MFIP Expenditures**

TANF	SNAP	General Fund	Total
\$90,606,466	\$154,792,105	\$67,793,199	\$313,191,770

**Recipient Profile**

In fiscal year 2023, a monthly average of 66,671 people were receiving MFIP assistance. According to DHS, in December 2022, about 65 percent of these MFIP cases had one eligible parent, about 8 percent had two eligible parents, and about 27 percent were cases with no eligible parent in the household.<sup>51</sup>

Families enrolled in MFIP had an average of 2 children. The median age of a child enrolled in MFIP is 6 years old.<sup>52</sup>

<sup>50</sup> [42 U.S.C. § 609](#) (a)(7).

<sup>51</sup> Examples of situations where no eligible parent is included in an MFIP case are: the parent receives Supplemental Security Income (SSI) and is not included in the MFIP grant; it is a child-only case where MFIP benefits are paid only for a child in the household.

<sup>52</sup> Minnesota Family Investment Program and Diversionary Work Program: Characteristics of Cases and People, Department of Human Services, February 2024.

A large majority of MFIP caregivers are 20 years old or older. In December 2022, about 2 percent of MFIP families were headed by an eligible parent who was under age 20.

Most MFIP adults (about 68 percent) never married. And most MFIP caregivers (about 73 percent) have at least a high school diploma or GED certificate.

## About This Series

**Public Assistance Programs** is a series of publications that describe state and federal programs that provide assistance in the form of health care, income, food, housing, and child care. Each work in the series describes an individual program.

Current works in this series include:

- Overview of Public Assistance Programs
- General Assistance (GA)
- Minnesota Family Investment Program (MFIP)
- Minnesota Supplemental Aid (MSA)
- Supplemental Security Income (SSI)
- Medical Assistance (MA)
- MinnesotaCare
- Subsidized health coverage through MNsure
- Child Care Assistance Program (CCAP)
- Food Support
- Housing Support

Please see the health and human services area of the House Research website for more information about these programs and related topics.

## Earlier Versions

Information in the series was originally published as the *Minnesota Family Assistance: A Guide to Public Programs Providing Assistance to Minnesota Families*, which was a comprehensive guide to these programs.



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