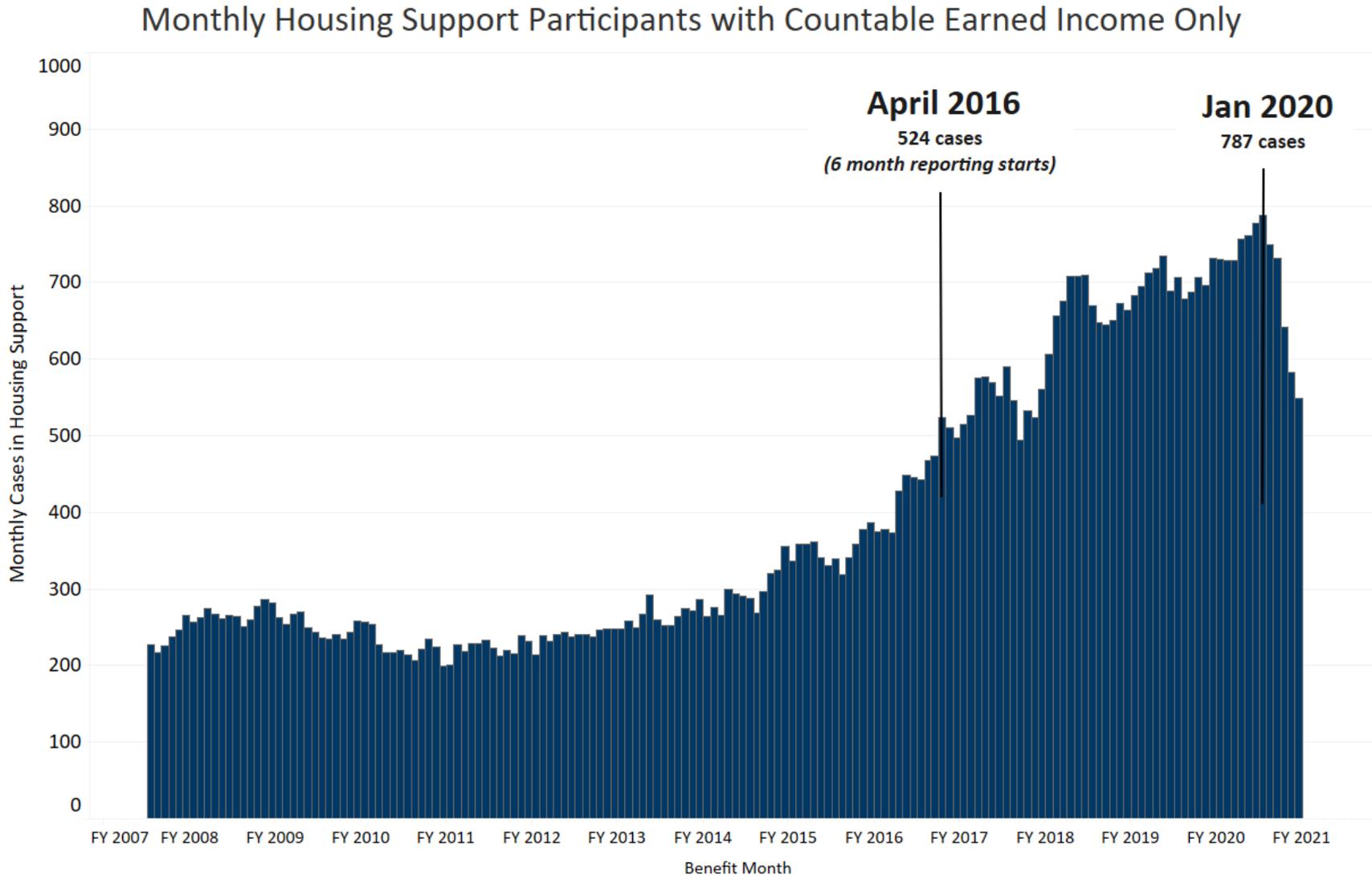


Impact of six month reporting on Housing Support Program



Economic Assistance Program Simplification

A proposal Minnesota's for cash assistance programs

The roots of this proposal

1. The Department's report on the impact of deep poverty in Medical Assistance.
2. The income volatility of the Minnesotans who turn to public assistance.
3. The state's multi-year effort to simplify public assistance policy and create more uniformity across programs.

1. Deep Poverty and MN's Medical Assistance Program

Adults in deep poverty

- Have higher rates of every chronic condition measured in this study,
 - including a mortality rate two times higher than adults who are not as poor.
- Experience 40 percent more preventable emergency department visits,
- End up in 23 percent more preventable hospitalizations than those who are not as poor.

Children living in deep poverty

- Have a mortality rate that is two times higher
- Experience a higher rate of PTSD than children who are not as poor

2. Volatile income

More than half the workers turning to public assistance come from the following industries:

- Hotel/restaurant
- Retail
- Low wage health care
- Temp agencies



2. Volatile Income

Households of 4 making less than \$40,000 a year experience much more income volatility than higher earning households

Morduch, J., & Schneider, R. (2017). The Financial Diaries: How American Families Cope in a World of Uncertainty. Princeton: Princeton University Press

2. Volatile income

Income instability

44% of families receiving assistance through MFIP experience extreme income instability:

- in any month they have over a 30% chance to have zero income or twice their average monthly income.

2. Volatile Income: Especially true for workers



Based on analysis of households receiving MFIP between November 2019 and January 2020

2. Volatile Income

More than half the households subject to monthly reporting (earners) had changes in income **three or more times** between January and June 2017.

3. Program simplification and uniformity

Public assistance rules are complicated and differ from program to program.

This leads to:

- Confusion between program rules
- Errors in determining eligibility and benefits
- More demanding workloads.
- Less ability to have workers handle multiple programs.

3. Program simplification and uniformity

- In 2014 and 2015 counties backed legislation that created more uniform policies across the cash assistance programs:
 - Set the same earned income disregard
 - Set the same asset limit and created a shared list of what counts as an asset
 - Created more uniform reporting requirements and a more uniform list of what income sources count against benefits.
- Aligned with federal programs like SSI and SNAP where possible

This proposal focuses on cash assistance programs

- **Biggest impact:** MFIP
- **Same policy changes:** General Assistance –but many, many fewer people affected
- **Some tweaks to:** Housing Support – which introduced six month reporting in 2015
- This would align cash programs more closely with federal **SNAP** policy.

3 changes being proposed

1. End monthly reporting for households with earnings.
2. Reduce the number of changes all households have to report.
3. Determine benefits based on more current income information.

1. End monthly reporting for earners

Instead set benefit amounts for six months at a time.

This would apply to MFIP and General Assistance.

- Housing Support already made this change in 2016.
- This is SNAP policy.
- Who is subject to six month reporting:
 - **All** MFIP households
 - General assistance households **who have earnings** (about 3% of the caseload)

2. Reduce the number of changes to report

Uniform policy across all the programs

Current law:

12 changes in circumstances have to be reported within 10 days.

Proposed law:

7 changes would be required

Programs would also have additional specific changes.

Changes that would be reported

What households would still have to report	What changes would no longer be required
Address or residence	At least \$100 in earned income
When someone joins or leaves the household	At least \$50 in unearned income
Cash prize and winnings	A change in employment status or hours
Assets -- over \$10,000	A receipt of a lump sum payment
Citizenship or immigration status	A new rent subsidy or a change in a rent subsidy
Family status	Sale, purchase or transfer of real estate
New: A change in eligibility for Supplemental Security Income, RSDI or other federal income support program	A change in disability status

Program specific reporting requirements

MFIP	GA	Housing Support and MN Supplemental Aid
Pregnancies that do not result in a birth	<ul style="list-style-type: none"> • Unearned income of \$50 or more • Earned income of \$100 or more <i>unless already a 6-month reporter</i> 	<ul style="list-style-type: none"> • Unearned income of \$50 or more • Earned income of \$100 or more <i>unless already a 6-month reporter</i>
Teenage mothers or 18 or 19 year olds' school enrollment	Bases of eligibility: illness, mental illness, residence in a facility, etc.	For some: <ul style="list-style-type: none"> • Shelter expenses • Rent subsidies

Align timing with SNAP

- Adopt the SNAP policy that people have to report these changes by the 10th of the month after the month in which the change occurred –
- Instead of the current policy within 10 days of occurring.

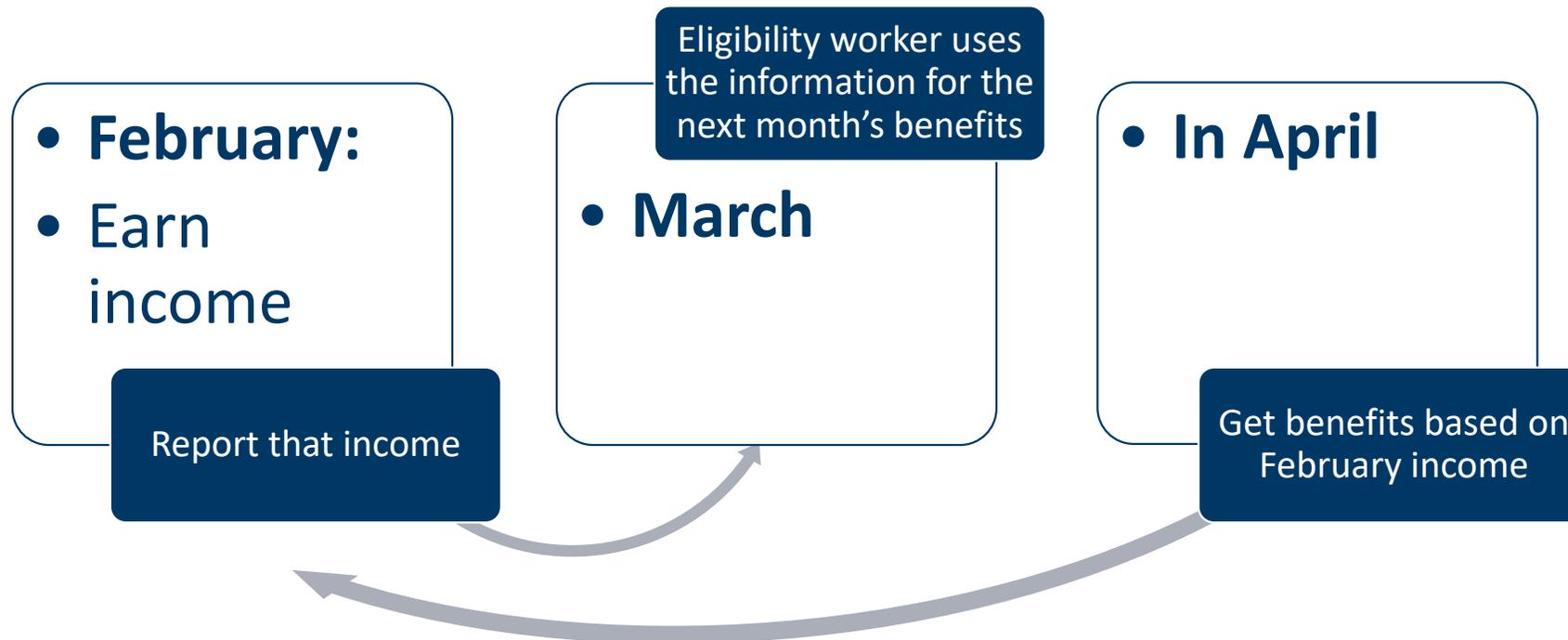
3. Determine benefits on current and anticipated income

Calculate the benefit based on the most recent income information available.

Use that to anticipate how much assistance the household will need in the coming months.

Current method: Looking backwards

The benefit amount is based on income two months earlier.



Impact of these changes

For county and tribal workers:

- No longer process 10,000-13,000 five-page monthly report forms each month
- Fewer reports of changes to process each month.
- Cutting the 14 pages in the eligibility manual explaining how to manage reporting rules by half.

Impact of these changes

For the Minnesotans who turn to cash assistance in crisis:

- One element of predictability in their budget
- A chance to use these six-month periods to build up momentum to make economic stability more possible.

Impact of these changes

For the state:

To leverage the state's assistance with a household's earnings or private sector help to get more households beyond deep poverty, beyond poverty and closer to economic stability

Effective date: May 1, 2023

Phased in over 12 months Households will change to six month reporting and prospective budgeting when they:

- Have their annual recertification

or

- Submit a monthly household report form.

Questions:

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