

Subject MFIP Cost of Living Adjustments

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Summary

This bill provides for a 2 percent cost of living adjustment for the monthly cash portion of MFIP each year for three years beginning February 1, 2021, using TANF funds.

MFIP is a jointly funded, federal-state program that provides income assistance to eligible low-income families. MFIP is the state's response to the 1996 federal welfare reform law, which replaced the Aid to Families with Dependent Children (AFDC) program with Temporary Assistance for Needy Families (TANF), a block grant program to states.

The MFIP grant is based on a transitional standard that increases with family size. For example, a family of three's standard benefit in 2020 is \$1,044 per month; a family of four's monthly standard was \$1,247. For families without earnings, the monthly grant equals the transitional standard. For families with earnings, the monthly grant equals the "family wage level" (110 percent of the transitional standard minus the family's net earned income).

The MFIP grant is composed of a cash portion and a food portion, both of which are issued by counties in electronic debit card form. The cash portion of the grant was increased for the first time since 1986 on February 1, 2020. The food portion is adjusted annually when adjustments are made to the federal Supplemental Nutrition Assistance Program (SNAP).