

December 2022

Overview

Cash assistance is a form of welfare and provides income for eligible families and individuals. Two government-administered programs provide cash assistance in Minnesota. They are the Minnesota Family Investment Program and General Assistance.

This publication provides basic information regarding cash assistance in Minnesota, including information on federal, state, and county roles in cash assistance; funding levels; requirements states and recipients must meet; the number of people receiving cash assistance benefits in Minnesota; the average length of time a person receives cash assistance in Minnesota; and the amount of cash assistance benefits.

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The Difference Between Cash Assistance and Welfare

In general, welfare is support for families and individuals who do not have the means to provide for their basic needs. Welfare can be broadly defined to include programs such as cash assistance, subsidized health care, unemployment insurance, and in-kind support or more narrowly defined to include only cash assistance for basic needs. Welfare can be provided by government entities, charities, or religious organizations among others. Cash assistance is a more narrowly defined term and provides income for eligible families and individuals.

This publication focuses on government-administered programs that provide cash assistance,¹ including the Minnesota Family Investment Program (MFIP) and General Assistance (GA). MFIP is a jointly funded, federal-state program designed to provide cash assistance to eligible low-income families. GA is a state program to provide cash assistance to needy persons who fall into specified statutory categories and who meet GA requirements, including income and asset standards.

¹ There are other federal and state cash assistance programs that are not included here such as Supplemental Security Income and Minnesota Supplemental Aid that assist specific populations (i.e., the elderly and persons with disabilities).

Program Administration and Requirements

Federal, State, and County Roles

Minnesota Family Investment Program

The Temporary Assistance for Needy Families (TANF) block grant was created under the 1996 federal welfare reform law. Under TANF, each state receives a fixed block grant of federal funds and may design its own program to assist needy families. The state program must meet federal statutory and regulatory guidelines, and the U.S. Department of Health and Human Services (DHHS) monitors states' compliance with the requirements of the federal law.

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 cash assistance, employment and training services, and support services to eligible Minnesota families.

The Minnesota Department of Human Services (DHS) 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.

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

In addition, 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, applied for and received federal approval to operate separate Tribal TANF programs. The programs serve TANF-eligible families where one or more of the eligible adults is a member of the Band (or in the case of the Mille Lacs Band of Ojibwe Tribal TANF program in the counties of Anoka, Hennepin, and Ramsey, a member of the Minnesota Chippewa Tribe).

General Assistance

GA is a state program that was established by the 1973 Legislature when county "Poor Relief" programs and the "Township Relief System" were abolished. The original GA program provided assistance to needy persons who did not qualify for federal programs. In 1985, the legislature changed the GA program to allow assistance only for those people who meet certain standards of "unemployability." The state law includes: minimum statewide standards for assistance, general eligibility requirements (including resource limitations), provisions for program funding and administration, and guidelines for determining the county financially responsible for GA grants.

DHS supervises program administration, and DHS rules govern GA administration in Minnesota. DHS also issues a detailed program manual for county caseworkers, which includes specific eligibility criteria and schedules for determining benefits.

The counties administer GA. The county human services agency, with the assistance of the state agency through the MAXIS computer system, determines if an applicant meets the state's eligibility requirements and determines the amount of assistance.

Requirements for State TANF Programs

State programs must meet several requirements, described below, in order to receive the federal TANF block grant.

First, each state must spend its own resources to provide assistance to needy families. The federal law includes a maintenance of effort (MOE) provision that requires a state to spend a specified percentage of the amount it spent in federal fiscal year 1994 under its old AFDC and related programs, including child care assistance to eligible families. ([42 U.S.C. § 609](#) (a) (7).) States must meet the MOE requirements in order to receive their full block grants. The MOE percentage is set at 75 percent for states that meet the federal work participation requirement, and 80 percent for those that do not. (Minnesota's MOE percentage is currently set at 75 percent.)

Second, each state must use TANF and MOE funds on the four goals of the federal program, which are to: (1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) encourage the formation and maintenance of two-parent families. ([45 C.F.R. § 260.20](#).)

Third, each state must meet federal work participation requirements: a 50 percent work participation requirement for all families and a 90 percent requirement for two-parent families receiving welfare. A work-eligible individual counts as engaged in work for a month for the overall rate if he or she participates in work activities during the month for at least a minimum average of 30 hours per week and at least 20 of those hours per week come from participation in nine core activities.² A family with two work-eligible parents counts as engaged in work for the month for the two-parent rate if work-eligible parents in the family are participating in work activities for a combined average of at least 35 hours per week during the month and at least 30 of the 35 hours per week come from participation in nine core activities. If the family receives federally funded child care assistance and an adult in the family is not disabled or caring for a severely disabled child, then the work-eligible individuals must participate in work activities for an average of at least 55 hours per week (at least 50 of the 55 hours per week

² The nine core work activities include: (1) unsubsidized employment; (2) subsidized private sector employment; (3) subsidized public sector employment; (4) work experience, if sufficient private sector employment is not available; (5) on-the-job training; (6) job search and job readiness assistance; (7) community service programs; (8) vocational educational training; and (9) job skills training directly related to employment.

must come from participation in the nine core activities) to count as a two-parent family engaged in work for the month.³

Fourth, each state must have a system in place for determining whether the hours it reports toward the work participation rates correspond to the hours in which work-eligible individuals actually participate in work activities.

Finally, each state must have a system in place for sanctioning recipients who do not comply with program requirements.

Requirements for Recipients

Cash assistance recipients must meet several requirements in order to be eligible for assistance. Below are the basic eligibility requirements for the MFIP and GA programs.

Minnesota Family Investment Program

In order to be eligible for MFIP, a family must meet income and asset limits. To be eligible for MFIP, family income, after all allowable deductions are made, must be below the program's established family wage level for a family of like size (for example, \$1,436 per month for a family of three).

The equity value of an assistance unit's personal property (assets) must not exceed \$10,000. 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) vehicles that are not excluded (one vehicle per assistance unit member age 16 or older is excluded from the personal property limitation); and (5) the full value of business accounts used to pay expenses not related to the business.

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.

³ See [Code of Federal Regulations, title 45, § 261.32](#).

General Assistance

The GA program provides aid to individuals or couples who are not eligible for federally funded assistance programs, but who are unable to provide for themselves.⁴ An applicant qualifies for GA if he or she meets the eligibility standards set by state law and has income and assets below the limits established by the state legislature and DHS.

Maximum net earned and unearned income must be less than the need standard (\$203 per month for an individual and \$260 per month for a married couple).

The equity value of an assistance unit's personal property must not exceed \$10,000. 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) vehicles that are not excluded (one vehicle per assistance unit member age 16 or older is excluded from the personal property limitation); and (5) the full value of business accounts used to pay expenses not related to the business.

In addition to having financial need, a GA applicant must also:

- be a resident of Minnesota;
- be ineligible for aid from any cash assistance program that uses federal funds (i.e., MFIP or SSI);
- be a citizen of the United States; and
- be unable to work because the applicant meets certain standards of "unemployability" including, but not limited to: (1) having a professionally certified illness, injury, or incapacity expected to continue for more than 45 days and that prevents the person from getting or keeping a job; (2) having a diagnosed developmental disability or mental illness that prevents the person from getting or keeping a job; (3) residing in a shelter facility for battered women that has a contract with the Department of Corrections; (4) being needed in the home to care for a person whose age or medical condition requires continuous care; or (5) being a person whose alcohol and drug addiction is a material factor that contributes to the person's disability and who has been assessed by the county agency to determine if he or she is amenable to treatment.

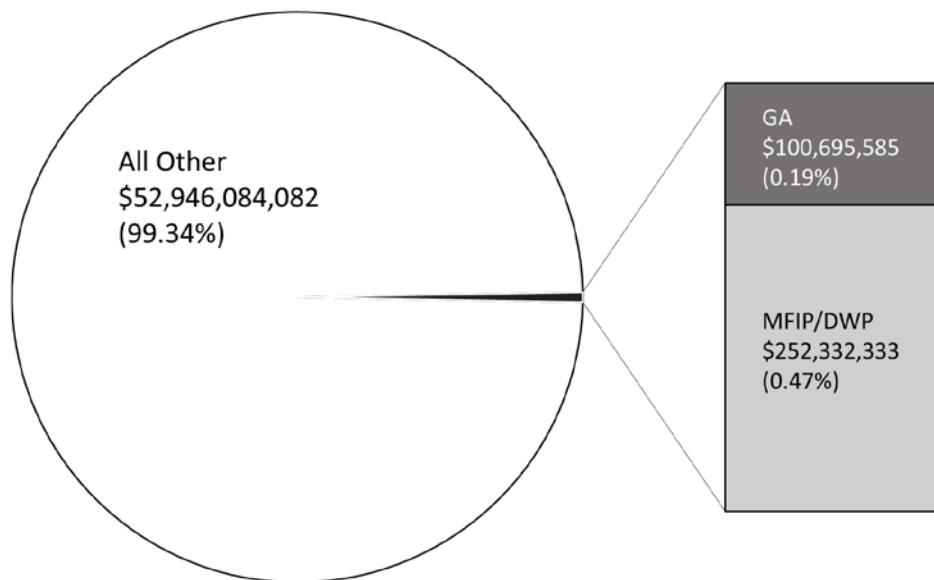
⁴ See [Minn. Stat. § 256D.01](#).

Funding for Cash Assistance

The charts below show the percentage of the state general fund budget spent on cash assistance and the percentage of the health and human services portion of the general fund budget that is spent on cash assistance for fiscal years 2022 to 2023.

The percent of state general fund dollars projected to be spent on cash assistance is less than 1 percent (0.66 percent).

**Percent of State General Fund Used for Cash Assistance Programs
FY 2022-2023 (Projected)**



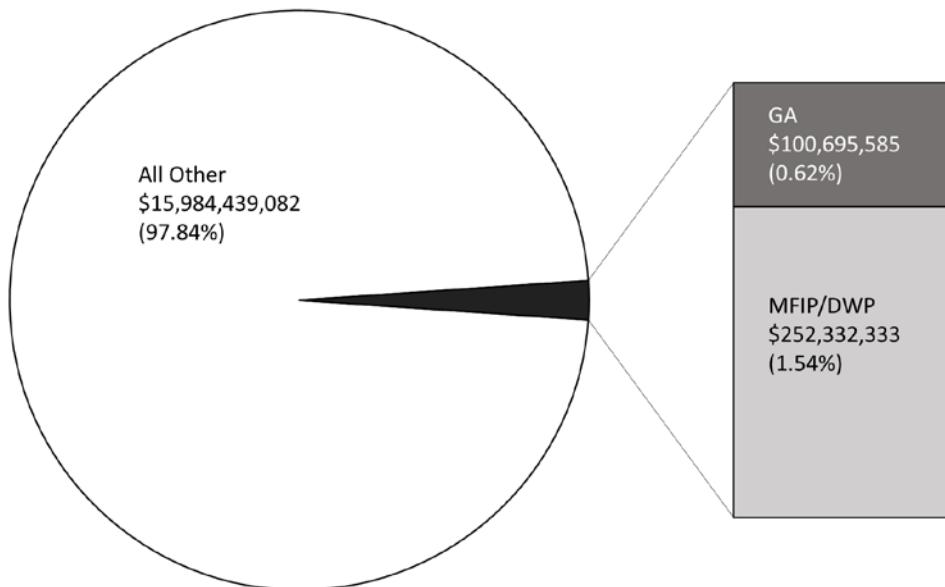
DWP: Diversionary Work Program⁵

Source: Minnesota Department of Human Services, February 2022 Forecast

When accounting for just the general fund money allocated for health and human services, cash assistance makes up more than 2 percent of those funds.

⁵ DWP is a program lasting for four months that helps people to quickly find work so that they don't need to receive MFIP assistance. When people first apply for MFIP, many will be enrolled in DWP.

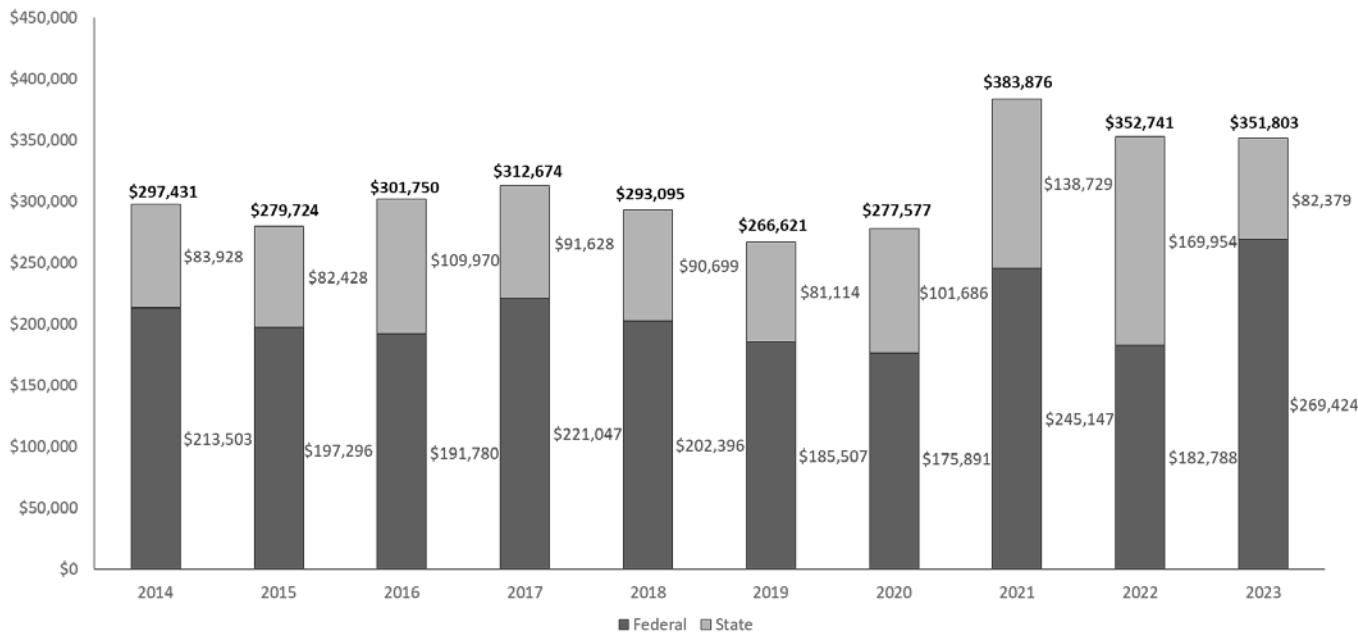
**Percent of HHS General Fund Budget Used for Cash Assistance Programs
(FY 2022-223)**



Source: Minnesota Department of Human Services, February 2022 Forecast

The following tables show annual funding for MFIP and GA for fiscal years 2014 to 2023. Total annual state payments for MFIP increased in fiscal years 2020 and 2021, primarily due to increasing caseloads due to the COVID-19 pandemic and increased monthly benefits that took effect on October 1, 2021, before decreasing in fiscal year 2022 and beyond. Total annual payments for GA have increased over time due to increased caseloads.

**MFIP Total Annual Cash and Food Federal and State Payments
FY 2014-2023 (in thousands)**



Source: Minnesota Department of Human Services, February 2022 Forecast

*FY 2022 and 2023 numbers are projections

**GA Total Annual State Payments
FY 2014-2023 (in thousands)**

Source	2014	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
State	\$51,125	\$51,436	\$50,444	\$49,556	\$48,883	\$50,302	\$49,778	\$56,011	\$49,399	\$51,297

Source: Minnesota Department of Human Services, February 2022 Forecast

* FY 2022 and 2023 numbers are projections

Program Recipients

Number of People Receiving Cash Assistance?

The table below shows the number of average monthly recipients (average monthly cases for GA) in Minnesota for fiscal years 2014 to 2023.

The MFIP caseload increased during fiscal year 2021 due to the COVID-19 pandemic. In fiscal year 2023, a monthly average of 82,458 people are estimated to receive MFIP.

The number of cases for GA is projected to be 23,460 for fiscal year 2023. The GA caseload tends to increase during economic downturns, since it is a safety net program.⁶

MFIP and GA Average Monthly Recipients FY 2014-2023

Program	2014	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
MFIP	104,116	93,995	91,159	95,165	90,736	81,908	79,756	91,517	81,676	82,458
GA	23,019	23,250	23,230	23,238	23,238	23,176	23,361	25,501	22,740	23,460

Source: Minnesota Department of Human Services, February 2022 Forecast

* FY 2022 and 2023 numbers are projections

** GA numbers are average monthly cases

Average Length of Time Receiving Assistance

The federal TANF law sets a lifetime limit of 60 months⁷ for assistance units that include an adult who receives assistance using federal TANF money. According to DHS, the average length of time MFIP-eligible adult cases spent on MFIP in December 2018 was 31 months.

There is no time limit for GA recipients. The average length of time a person receives GA is currently 19 months for each occurrence⁸ and 41.2 cumulative months.

Amount of Benefits Received

Minnesota Family Investment Program

MFIP benefits are based on family size, with the MFIP grant composed of a cash portion and a food portion.⁹ The table below shows the maximum amount of cash and food assistance a family would receive based on family size, assuming no income. Benefit amounts are reduced

⁶ For more information on GA caseload trends, see the *December 2019 General Assistance Report*, Minnesota Department of Human Services, August 2021, page 10 (<https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6128L-ENG>).

⁷ The state MFIP law specifies several situations where time spent on MFIP does not count toward the 60-month lifetime limit on assistance. For example, MFIP caregivers who are age 60 or over are exempt from the 60-month lifetime limit on assistance. In addition, some families may be eligible for MFIP after they reach the 60-month limit if they meet the eligibility criteria for an extension under one of three categories: ill or incapacitated, hard to employ, or certain employed participants.

⁸ For more information on GA caseload trends, see the *December 2019 General Assistance Report*, Minnesota Department of Human Services, August 2021, pages 27 to 28 (<https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6128L-ENG>).

⁹ 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.

as family income¹⁰ increases, but families with income are better off overall. For example, as of January 1, 2022, the maximum MFIP benefit for a household of three with no income is \$1,189. For a household of three working 30 hours per week at \$10.33 per hour, gross monthly earnings are \$1,332.57 and the MFIP benefit is \$674, for total monthly income of \$2,006.57.¹¹ In addition to the assistance standards below, households meeting certain criteria are also eligible for a housing assistance grant of \$110 per month.

**MFIP Assistance Standards
Effective October 1, 2022**

Family Size	Full Transitional Standard	Food Portion	Cash Portion
1	\$615	\$235	\$380
2	1,014	431	583
3	1,305	619	686
4	1,570	788	782
5	1,810	945	865
6	2,095	1,148	947
7	2,282	1,252	1,030
8	2,528	1,426	1,102
9	2,772	1,600	1,172
10	3,009	1,777	1,232
over 10 (add for each additional member)	236	178	58

House Research Department

General Assistance

GA recipients receive a monthly cash assistance payment, called a grant. The amount of a recipient's grant is determined by subtracting the recipient's net income from the applicable monthly GA assistance standard.

¹⁰ MFIP benefit calculations include an earned income disregard of the first \$65 of earned income per wage earner plus half of the remaining earned income of the assistance unit.

¹¹ For more information on MFIP benefit amounts, see Minnesota Department of Human Services Bulletin #22-11-01, "Work Will Always Pay with MFIP, January 1, 2022 (https://www.dhs.state.mn.us/main/idcplg?IdcService=GET_FILE&RevisionSelectionMethod=LatestReleased&Recondition=Primary&allowInterrupt=1&noSaveAs=1&dDocName=dhs-331418).

Monthly GA Standards for Single Persons and Childless Couples

Eligible Units	Monthly Standard
One adult	\$203
Emancipated minor	203
One adult, living with parent(s) who have no minor children	203
Minor not living with parent, stepparent, or legal custodian (with social service plan approval)	250
Married couple with no children	260
One adult, living in a medical facility or in group residential housing	111

Other Program Eligibility

Cash assistance recipients may be eligible for several other federal and state programs, including:

- subsidized health care programs such as Medical Assistance or MinnesotaCare;
- food support;
- child care assistance;
- subsidized housing; and
- other short-term assistance.

For more information on other programs, see the House Research Department publication [*Minnesota Family Assistance*](#), January 2022.



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