



Minnesota Department of Human Services

Minnesota's Family Cash Assistance Caseload: A Ten-Year Retrospective

August 2007

A Comparison of Data from the Characteristics of Minnesota Family Cash Assistance Programs Report Series

Introduction

For each of the past ten years, the Minnesota Department of Human Services (DHS), Program Assessment and Integrity Division (PAID) has produced an annual report that provides a snapshot of the universe of cases and participants in Minnesota's family cash assistance programs. The first report was for December 1997 cases, the month before Minnesota ended Aid to Families with Dependent Children (AFDC) and began statewide implementation of the Minnesota Family Investment Program (MFIP).¹

This supplement to the tenth annual report, *Characteristics of December 2006 Minnesota Family Assistance Programs: Cases and Eligible Adults*, presents selected variables from each report year to highlight changes and trends in Minnesota's family cash assistance caseload in the decade since the implementation of MFIP.

Each of the eleven figures in this supplement provides data for December 1997 to December 2006. December 1997 data are for AFDC-eligible adults and cases. December 1998 to December 2006 data are for MFIP-eligible adults and cases, with the addition of eligible adults and cases enrolled in the Diversionary Work Program (DWP), which began in July 2004. When many families apply for cash assistance, they are diverted from MFIP and enrolled in DWP with its work-intensive, short-term benefits. Previous to DWP, these families would have been enrolled in MFIP and they are included to provide a complete picture of the family assistance caseload.

Since 1997, Minnesota has experienced economic and population changes statewide and MFIP policies have changed since its introduction. When interpreting these figures, be aware that:

- While not a full recession, Minnesota experienced an economic slow down in 2001;
- Minnesota received a large proportion of the nation's refugees and the number of resettlements increased greatly in 2004 and 2005. Minnesota

¹ Reports for December 2000 to December 2006 are available on the DHS web-site at http://www.dhs.state.mn.us/id_004113.

received refugees from more than 50 countries between 1997 and 2006, but the largest number came from Laos (Hmong) and Somalia. Refugee families, particularly Hmong and Somali families, were more likely than other families on cash assistance to be married, have less education, have more children, and live in urban areas. In addition to these characteristics, the number of refugees affected the racial and citizenship composition of the family cash assistance caseload. Figure 4 shows both the percentage of the family cash assistance caseload that were Hmong and Somali adults and the total number of Hmong and Somali primary refugee resettlements to Minnesota.

- In July 2003, the Minnesota Legislature enacted many policy changes to MFIP.² These changes included changes to rules regarding education policy for participants pursuing Adult Basic Education, English as a Second Language, and post-secondary education; requiring universal participation in Employment Services (ES); a family cap on benefits where children conceived while the family received MFIP are excluded from the grant; case closure (100 percent sanction) for non-compliance with work requirements; deductions from the MFIP grant of \$125 for each household member receiving Social Security Income (SSI) and \$50 for families living in subsidized housing; decrease in the percent of the poverty level a household must reach before their MFIP case closes due to earned income; changes to work exemptions and extensions for cases at their 60th counted month; and other changes.

For detailed notes on data definitions and policies, please see the full report that this supplement accompanies, *Characteristics of December 2006 Minnesota Family Assistance Programs: Cases and Eligible Adults*.

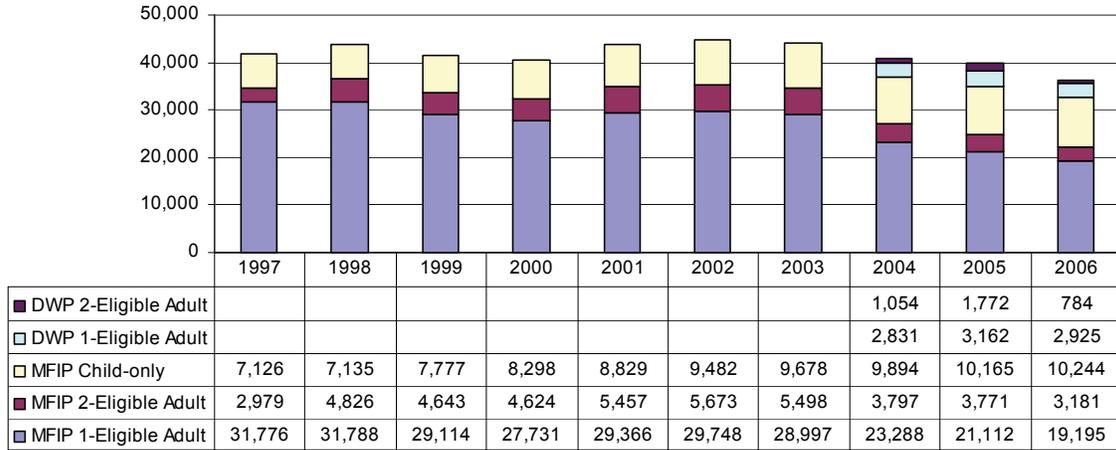
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² For detailed policy information see DHS Bulletin #03-11-01, available online at http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_FILE&RevisionSelectionMethod=LatestReleased&Rendition=Primary&allowInterrupt=1&noSaveAs=1&dDocName=dhs_id_004149.

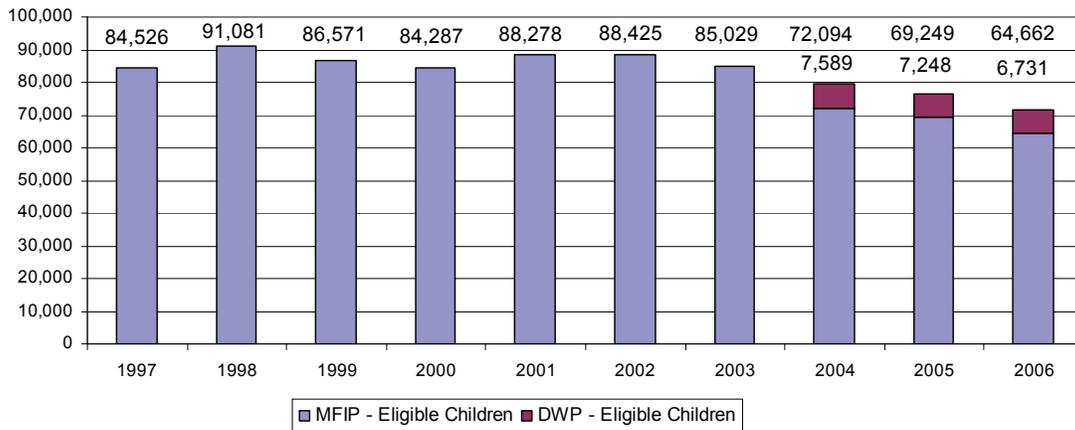
Caseload Data

Figure 1. December Family Assistance Caseloads, 1997 to 2006



While the overall family cash assistance caseload has declined since 2002, when caseloads were at their highest in the last decade, the proportion of child-only cases continues to increase. This increase was most likely caused by two main factors. Child-only cases, unlike eligible adult cases, are exempt from the 60-month time limit for receipt of MFIP and, thus may remain on MFIP longer than other case types, creating a cumulative affect. Secondly, in recent years, more caregivers became eligible for SSI, the most common reason for caregiver ineligibility.

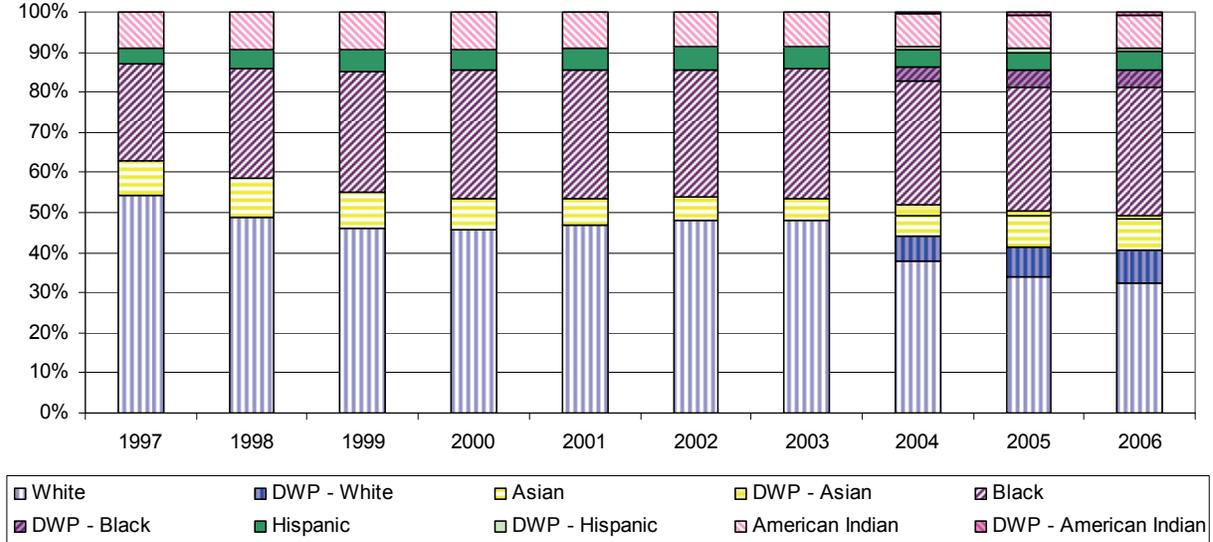
Figure 2. Eligible Children in December Family Cash Assistance Cases, 1997 to 2006



Not surprisingly, the number of eligible children mirrors the rise and fall of the total caseload.

Select Characteristics of Eligible Adults

Figure 3. Race/Ethnicity of Eligible Adults in December Family Cash Assistance Cases, 1997 to 2006

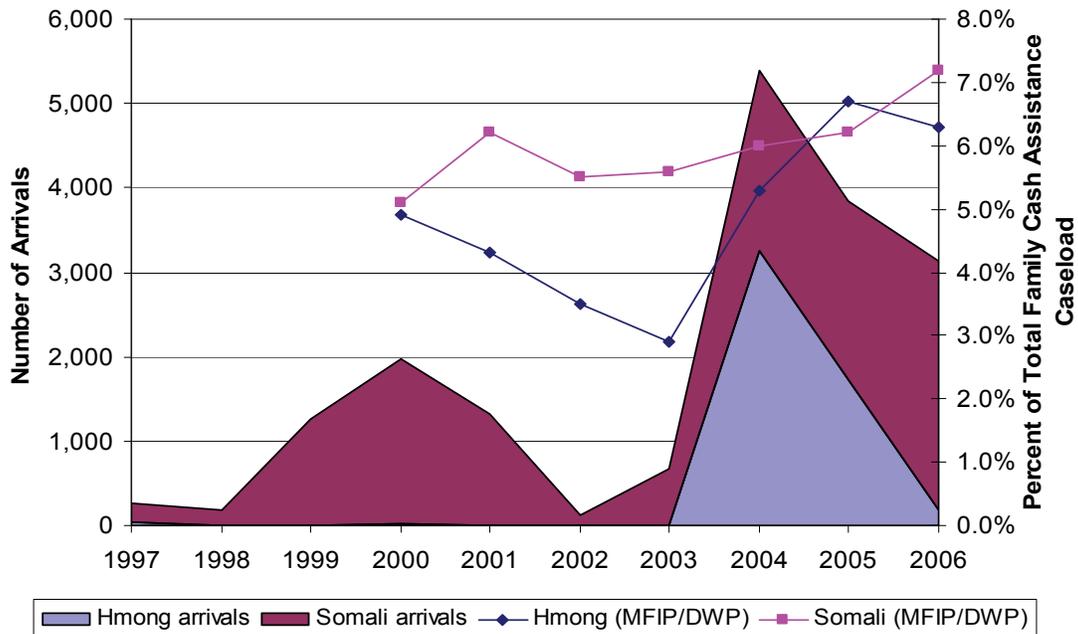


Note: On this figure and other “stacked” figures, the MFIP and DWP groups are in the same color family and have the same fill pattern for ease of comparison pre- and post-DWP.

Over the past decade, the share of white eligible adults decreased, while the proportion of eligible adults that were black and Asian increased. This can be partially attributed to refugee arrivals, particularly for the Asian group. Also, as the overall caseload declines, those adults who were most likely to become self-sufficient exit cash assistance, leaving adults with more challenges to self-sufficiency.

When examining the proportion of American Indian cases, note that in January 1999, the Mille Lacs American Indian Tribal Council took over administration of cases in their jurisdiction. In April 2005, this program was extended to tribal members residing in Hennepin, Anoka, and Ramsey Counties. Tribal Temporary Aid to Needy Families (TANF) cases were not included in this report.

Figure 4. Total Hmong and Somali Primary Refugee Arrivals and Eligible Adults in December Family Cash Assistance Cases, 1997 to 2006



Hmong and East African refugees, in particular Somalis, are the largest refugee groups in Minnesota. In the *Racial/Ethnic and Immigrant Groups in Minnesota Family Assistance Programs* report series,³ DHS tracks the family cash assistance outcomes for these and other important racial and immigrant subgroups.

As shown in Figure 4, the percent of MFIP or DWP-eligible adults that were Hmong and Somali closely follows the total number of primary arrivals.⁴ Although not shown on this graph, Minnesota received several hundred Hmong arrivals each year in the early 1990s, in addition to those that arrived in the late 1970s and 1980s. In December 2006, 14 percent of family cash assistance cases were headed by a Somali or Hmong caregiver.

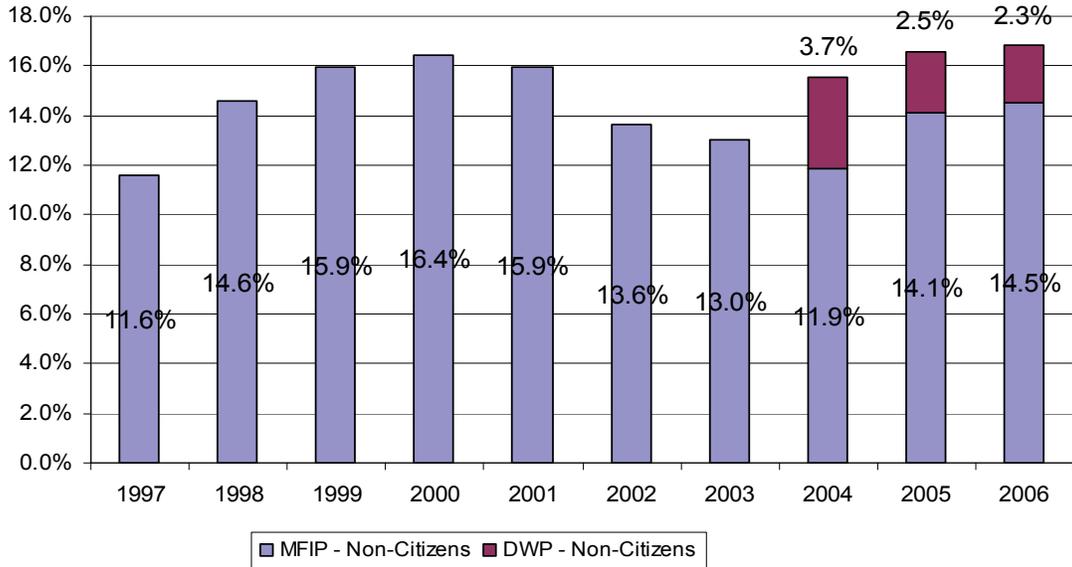
Arrivals data include all primary refugee resettlements to Minnesota, regardless of MFIP or DWP eligibility. Secondary migrants who were resettled in another state and then moved to Minnesota were not included in arrival data shown in this figure.

In this figure, MFIP and DWP-eligible adults were added together and shown in a single line for ease of comparison. Hmong and Somali nationality were calculated using a combination of race, immigration status, and spoken language or declared nationality. DHS did not calculate these data prior to 2000.

³ Reports in this series are available on the DHS web-site at http://www.dhs.state.mn.us/id_004113.

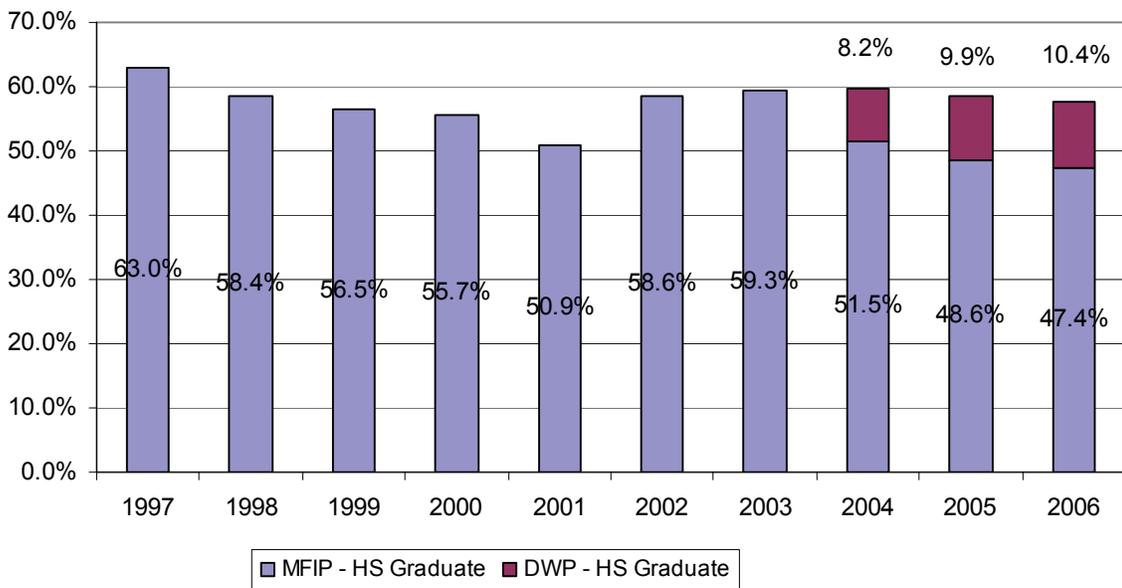
⁴ “Primary resettlement” is when Minnesota is the arrival destination when a refugee enters the United States.

Figure 5. Percentage of Eligible Adults that Were Non-U.S. Citizens in December Family Cash Assistance Cases, 1997 to 2006



The percentage of legal non-citizens in family cash assistance cases closely mirrors the data shown in Figure 4, the percentage of MFIP and DWP-eligible adults that were Hmong or Somali and primary Hmong and Somali refugee arrivals.

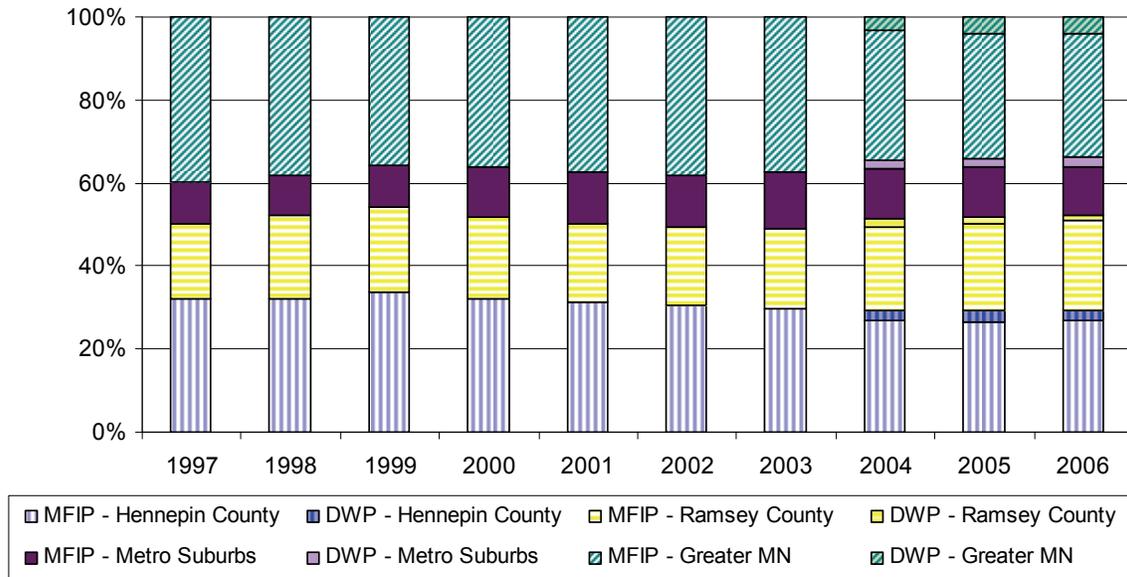
Figure 6. Percentage of Eligible Adults with at Least a High School Diploma in December Family Cash Assistance Cases, 1997 to 2006



The percentage of eligible adults that were high school graduates (or equivalent) remained fairly stable at about 60 percent of eligible adults throughout all years, except for 2001.

Residence of Family Cash Assistance Cases

Figure 7. Region of All December Family Cash Assistance Cases, 1997 to 2006



Throughout the last decade, about half of all households receiving MFIP or DWP lived in either Ramsey (including St. Paul) or Hennepin Counties (including Minneapolis). Hennepin County's share declined slightly while the proportion of all households that reside in Ramsey County increased. The proportion of households that resided in either the 11 metropolitan suburban counties or Greater Minnesota remained stable.

Economic Characteristics

Figure 8. Percentage of Eligible-Adult December Family Assistance Cases with 49 or More MFIP Counted Months in 2001 to 2006

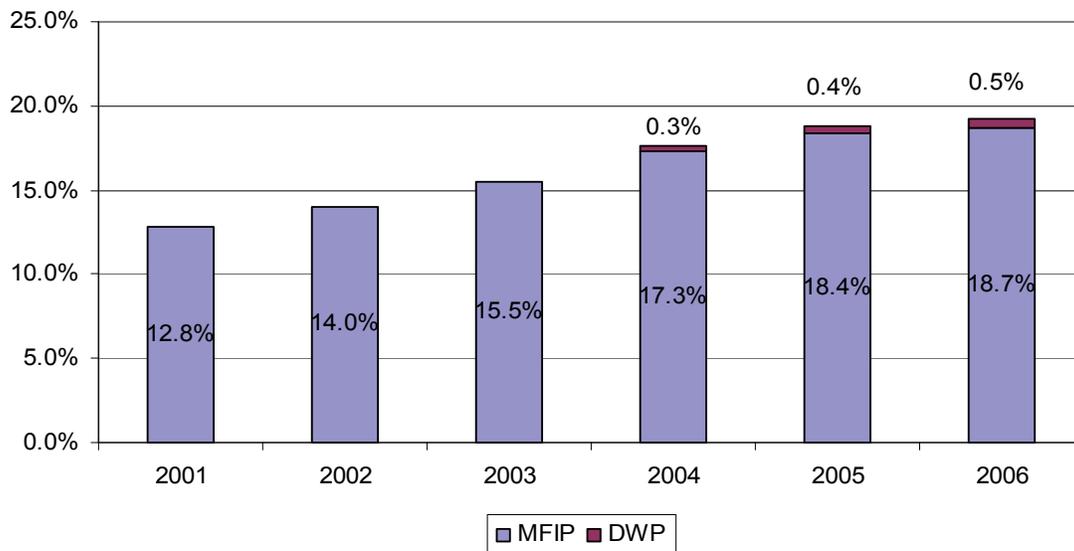
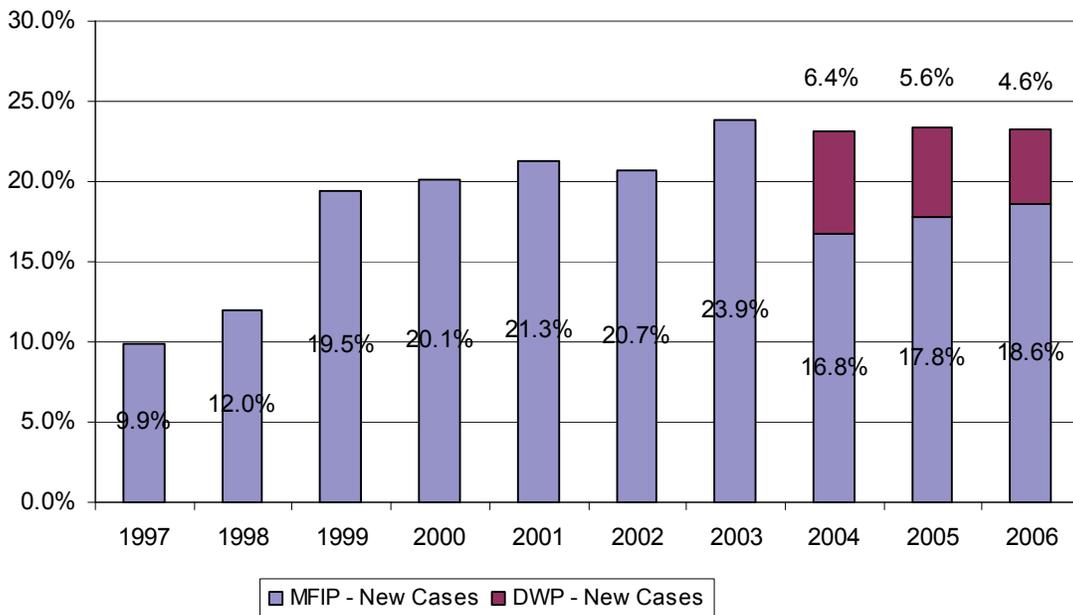


Figure 8 shows the percentage of cases that had less than two years of MFIP remaining. MFIP has a 60-month lifetime limit for receipt of cash assistance.⁵ June 2002 was the first month a case could have reached its 60th counted month with months entirely in Minnesota; cases could have reached 60 months earlier if they had months counted in other states that started counting months before Minnesota. Minnesota started counting months in July 1997 while other states started counting months as early as September 1996. Months do not count for child-only MFIP cases so they were not included in this figure. A DWP case could have MFIP counted months from previous time on MFIP.

The increase in cases with more counted months was driven both by increasing time under TANF and declining caseloads. As caseloads decline and those who are able to obtain self-sufficiency exit the programs, the remaining households are more likely to face significant barriers to employment and, thus, spend more months on cash assistance.

Figure 9. Percentage of All December Family Cash Assistance Cases that Were New to Cash Assistance in Minnesota, 1997 to 2006



The proportion of all family cash assistance cases that had not previously received⁶ MFIP, AFDC, or Family General Assistance (FGA) in Minnesota increased greatly in the first few years of MFIP and appears to have now leveled off at about 23 percent of all cases. The exact reasons for this have not been studied although two main factors driving this most likely are population growth in Minnesota, as new residents immigrate from other states and

⁵ Certain cases are exempt or excepted from the time limit and cases can be extended beyond the time limit due to certain documented hardships. See the *Characteristics of December 2006 Minnesota Family Assistance Programs: Cases and Eligible Adults* report accompanying this supplement for more information.

⁶ The definition of a new welfare case was not having been an active case since 1992, the period covered by the administrative database.

countries, and turnover in the welfare population as people exit MFIP due to paid work or time limits.

Figure 10. Percentage of Eligible Adult December Family Cash Assistance Cases with at Least One Working Caregiver, 1997 to 2006

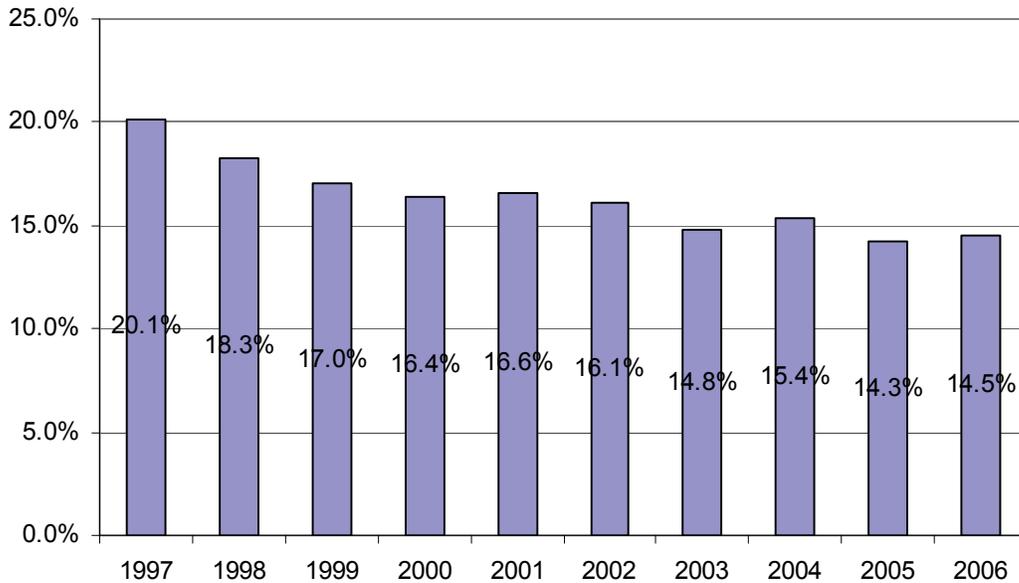


The increase in cases with at least one working caregiver between December 1997, the last month of AFDC, and December 1998 is probably the most striking thing in this figure. However, this was most likely not due to a sudden increase in recipients going to work in the first year of MFIP, but rather the introduction of an earned income disregard that allowed working recipients to continue to receive a reduced grant longer than they had been able to under AFDC. Many of those who were working in December 1998 would no longer have been eligible for cash assistance in December 1997.

This figure shows an initial increase in work, followed by a decrease that coincides with a slower economy, and then a return to previous levels in the most recent years.

Child-only cases were excluded from this figure because adults in child-only cases were not required to participate in Employment Services. With the reauthorization of TANF in 2006, certain caregivers in child-only cases will be required to participate in Employment Services.

Figure 11. Percentage of December AFDC (1997) and MFIP (1998 to 2006) Cases that Received Child Support Payments



Under AFDC in 1997 and in the first three years of MFIP, all child support payments made to recipients were retained by the state to reimburse the costs of cash assistance. On January 1, 2001, the policy was changed so that current child support payments went to the custodial parent and the cash grant was reduced by the amount of child support.⁷ MFIP reduces the grant of participants (sanctions) that do not comply with child support requirements.

Payments to DWP-eligible cases were not included⁸ in this figure so the total proportion of all family cash assistance cases that received child support after 2003 is slightly higher than shown on this graph. So, although there has been a slight decline in the percentage of cases receiving child support, the decline has been by approximately less than one percentage point since the start of this decade. The proportion of two-caregiver households remained steady at about 20 percent of all MFIP cases since 1998.

⁷ See DHS Bulletin #00-7-7 for more information. It is available at http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_FILE&RevisionSelectionMethod=LatestReleased&Rendition=Primary&allowInterrupt=1&noSaveAs=1&dDocName=dhs_id_003080.

⁸ These data were not available from the Child Support Enforcement Division (CSED) for DWP cases until 2006. The report that accompanies this supplement includes child support data for DWP cases.

This information is available in other forms to people with disabilities by contacting us at (651) 431-3936 (voice). TTY/TDD users can call the Minnesota Relay at 711 or (800) 627-3529. For the Speech-to-Speech Relay, call (877) 627-3848.