

# Minnesota Temporary Assistance for Needy Families Expenditures Task Force Final Report

Children and Family Services  
February 2015

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## I. Executive Summary

### Report mandate

The 2014 Minnesota Legislature directed the Minnesota Department of Human Services to convene the Minnesota Temporary Assistance for Needy Families (TANF) Expenditures Task Force, and to staff and provide technical assistance to the group. The duties of the task force include analyzing past federal TANF expenditures and making recommendations as to which, if any, programs receiving TANF funding should be funded by the general fund to allow a greater portion of TANF funds to go directly to families receiving assistance through the Minnesota Family Investment Program (MFIP).

This is the second of two reports. The first report was submitted in November 2014 and can be found at the Legislative Reference Library<sup>1</sup> or by following this [link](#). This final report includes an analysis of past TANF expenditures and makes recommendations as to which programs should be funded by the general fund rather than TANF.

### Overview and History

The Minnesota Family Investment Program and Diversionary Work Program (DWP) are Minnesota's Temporary Assistance for Needy Families (TANF) program. TANF is a block grant funded by the federal government which requires states to use funds to achieve four purposes:

- Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives.
- End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.
- Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing incidence of these pregnancies, and
- Encourage the formation and maintenance of two-parent families.

In December 2013, 28,664 adults and 69,603 children received cash assistance through MFIP or the Diversionary Work Program. Families participating in TANF funded programs tend to be young, with an average adult age of 31. A child under the age 6 is involved in 67 percent of TANF funded cases. The majority of eligible adults are female (81 percent of MFIP-eligible and 75 percent of DWP-eligible adults); about 20 percent of cases have two caregivers present.<sup>2</sup> Since 1986, the MFIP cash grant has not changed. For a family of three on MFIP, the maximum cash grant is \$532, the same as it was 28 years ago. The average cash grant in December 2013 for MFIP child-only cases was \$312; for eligible adult MFIP cases, \$353, and for DWP cases, \$359. In 1986, the cash grant provided families with a cash resource that met approximately 70 percent of the federal poverty level. Today, the MFIP cash grant is only worth 32 percent of the federal poverty level, far below the federal definition of deep poverty, which is 50 percent of federal poverty guidelines. In 2012, Minnesota had 78,000 children living in deep poverty.

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<sup>1</sup> Minnesota Temporary Assistance for Needy Families Expenditures Task Force Initial Report <http://archive.leg.state.mn.us/docs/2014/mandated/141178.pdf>

<sup>2</sup> Minnesota Family Investment Program and the Diversionary Work Program: Characteristics of December 2013 Cases and Eligible Adults: <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4219P-ENG>

Taskforce findings include:

- The current MFIP cash grant has not increased since 1986.
- In 1986, the MFIP cash grant supported a family at 70 percent of the federal poverty guideline. Today, the MFIP cash grant supports a family at just 32 percent of the federal poverty guidelines. Income below 50 percent of the federal poverty guideline is considered to be deep/extreme poverty.
- Childhood poverty in Minnesota has more than doubled, increasing 105 percent since 2000. In 2012, 78,000 Minnesota children lived in deep poverty.<sup>3</sup>
- Past TANF expenditures have been lawful and in accordance with the four purposes of TANF, as defined in federal law.
- TANF expenditures fund many worthwhile programs that directly benefit MFIP families through tax credits, access to child care, employment supports, home visiting services and emergency assistance.
- There is a correlation between deep poverty and long-term adverse childhood outcomes related to educational attainment, social and emotional development, future earnings and employment, health, and future quality of parenting by the child.
- The Working Family Credit, in conjunction with the Earned Income Tax Credit (EITC), is one of the most successful anti-poverty programs<sup>4</sup>
- The home visiting program, the primary beneficiary of grants administered by the Minnesota Department of Health (MDH) funded by TANF, has a significant return on investment of \$5.70 for every dollar invested.<sup>5</sup>

*In 1986, the cash grant provided families with a cash resource that met approximately 70 percent of the federal poverty level. Today, the MFIP cash grant is only worth 32 percent of the federal poverty level, far below the federal definition of deep poverty, which is 50 percent of federal poverty guidelines.*

## Recommendations

The task force is required to make “recommendations as to which programs, if any, currently receiving TANF funding should be funded by the general fund.” To meet this requirement, the taskforce, by a majority vote, makes the following recommendation:

- The legislature should redirect TANF funds that currently fund programs outside of the Minnesota Department of Human Services and repurpose those dollars to increase cash grants. Specifically, the task force recommends that TANF funds directed towards the Working Family Credit (WFC), about \$45 million in 2016-2017, and TANF funds

<sup>3</sup>Minnesota Kids Count Data Book 2007 <http://www.cdf-mn.org/research-library/2007-kcdb.pdf> and Minnesota Kids Count 2014 <http://www.cdf-mn.org/sites/2014-publications/2014-minnesota-kids-count.pdf>

<sup>4</sup> Earned Income Tax Credit Promotes Work, Encourages Children’s Success at School, Research Finds <http://www.cbpp.org/files/6-26-12tax.pdf>

<sup>5</sup> Family Home Visiting Program, Minnesota Department of Health. *Report to the Minnesota Legislature 2012* [http://www.health.state.mn.us/divs/fh/mch/fhv/documents/fhvprogreport\\_legis2012.pdf](http://www.health.state.mn.us/divs/fh/mch/fhv/documents/fhvprogreport_legis2012.pdf)

distributed to the Minnesota Department of Health, about \$23 million in 2016-2017, be redirected to increase MFIP grants.

There is a deep concern however, by the task force that this recommendation would negatively impact overall funding of effective programs such as the Working Family Credit and programs funded by grants administered by the Minnesota Department of Health, particularly home visiting programs. The task force, by a strong consensus, also makes the following recommendation:

- General fund resources must be used to replace every TANF dollar that currently funds the Working Family Credit, home visiting programs, and other programs funded through the Minnesota Department of Health grants. Without full replacement of these funds by general fund dollars, the task force, in unanimity, would no longer make its initial recommendation.

Task force members recognize that the above recommendations do not make enough progress toward addressing 28 years of stagnant resources to our poorest children. Therefore, it also recommends that the following needs to be goals of this state and legislature:

- At a minimum, MFIP grants should no longer be eroded by the effects of inflation and increased living expenses. A cost of living adjustment should be forecasted within the grant.
- No child should live in deep poverty, defined as 50 percent of the federal poverty level. The MFIP grant should allow participants to minimally achieve this level.
- In 1986, cash grants provided enough resources to meet 70 percent of the federal poverty level. Achieving this level today would require significant investment beyond available TANF funds; however, this should to be the ultimate goal towards enabling children to move out of deep poverty.
- Employ programs that encourage asset building and financial literacy. For example, the Family Assets for Independence in Minnesota (FAIM) should be funded to maximize federal matching funds.
- Adopt policies to encourage work, skill-building through training and education, and increased compliance with child support orders. Strategies to consider could include:
  - Disregard child support received by MFIP families as income
  - Disregard income associated with training and education activities as income.
  - Provide for an increased and uniform disregard of earned income.

## II. Legislation

### Laws of Minnesota 2014, Chapter 291, Article 1, Section 12.

#### MINNESOTA TANF EXPENDITURES TASK FORCE.

Subdivision 1. **Establishment.** The Minnesota TANF Expenditures Task Force is established to analyze past temporary assistance for needy families (TANF) expenditures and make recommendations as to which, if any, programs currently receiving TANF funding should be funded by the general fund so that a greater portion of TANF funds can go directly to Minnesota families receiving assistance through the Minnesota family investment program under Minnesota Statutes, chapter 256J.

Subd. 2. **Membership; meetings; staff.** (a) The task force shall be composed of the following members who serve at the pleasure of their appointing authority:

(1) one representative of the Department of Human Services appointed by the commissioner of human services;

(2) one representative of the Department of Management and Budget appointed by the commissioner of management and budget;

(3) one representative of the Department of Health appointed by the commissioner of health;

(4) one representative of the Local Public Health Association of Minnesota;

(5) two representatives of county government appointed by the Association of Minnesota Counties, one representing counties in the seven-county metropolitan area and one representing all other counties;

(6) one representative of the Minnesota Legal Services Coalition;

(7) one representative of the Children's Defense Fund of Minnesota;

(8) one representative of the Minnesota Coalition for the Homeless;

(9) one representative of the Welfare Rights Coalition;

(10) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader; and

(11) two members of the senate, including one member of the minority party, appointed according to the rules of the senate.

(b) Notwithstanding Minnesota Statutes, section 15.059, members of the task force shall serve without compensation or reimbursement of expenses.

(c) The commissioner of human services must convene the first meeting of the Minnesota TANF Expenditures Task Force by July 31, 2014. The task force must meet at least quarterly.

(d) Staffing and technical assistance shall be provided within available resources by the Department of Human Services, children and family services division.

Subd. 3. **Duties.** (a) The task force must report on past expenditures of the TANF block grant, including a determination of whether or not programs for which TANF funds have been appropriated meet the purposes of the TANF program as defined under Code of Federal Regulations, title 45, section 260.20, and make recommendations as to which, if any, programs currently receiving TANF funds should be funded by the general fund. In making recommendations on program funding sources, the task force shall consider the following:

(1) the original purpose of the TANF block grant under Code of Federal Regulations, title 45, section 260.20;

(2) potential overlap of the population eligible for the Minnesota family investment program cash grant and the other programs currently receiving TANF funds;

(3) the ability for TANF funds, as appropriated under current law, to effectively help the lowest-income Minnesotans out of poverty;

(4) the impact of past expenditures on families who may be eligible for assistance through TANF;

(5) the ability of TANF funds to support effective parenting and optimal brain development in children under five years old; and

(6) the role of noncash assistance expenditures in maintaining compliance with federal law.

(b) In preparing the recommendations under paragraph (a), the task force shall consult with appropriate Department of Human Services information technology staff regarding implementation of the recommendations.

Subd. 4. **Report.** (a) The task force must submit an initial report by November 30, 2014, on past expenditures of the TANF block grant in Minnesota to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

(b) The task force must submit a final report by February 1, 2015, analyzing past TANF expenditures and making recommendations as to which programs, if any, currently receiving TANF funding should be funded by the general fund, including any phase-in period and draft legislation necessary for implementation, to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

Subd. 5. **Expiration.** This section expires March 1, 2015, or upon submission of the final report required under subdivision 4, whichever is earlier.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

### **III. Introduction**

The purpose of the task force is to review past TANF expenditures; determine whether the appropriations met the purposes of the program as defined under federal regulations (Code of Federal Regulations, title 45, section 260.20); and to make recommendations as to whether programs that currently receive TANF funding should be funded by the general fund so that a greater portion of TANF funds go directly to families.

An initial report was submitted to the Minnesota Legislature in November 2014 pursuant to Laws of Minnesota 2014, Article 1, Section 12. (Appendix A)

This final report builds on the initial report of the TANF expenditures task force. Minnesota Department of Human Services staff prepared this report after task force meetings in 2014 on July 30<sup>th</sup>, Oct. 13<sup>th</sup>, Nov. 20<sup>th</sup>, Dec. 18<sup>th</sup> and Jan. 12<sup>th</sup>, 2015. Department staff presented:

- An overview of TANF program rules and requirements related to allowable use of funds.
- Summaries of expenditures.
- General background information.
- Reports as requested by the task force.
- Scenarios and timelines for making recommendations for using TANF expenditures towards increasing the MFIP cash grant.

See Appendix B for a list of task force members and their affiliations.



## Bobbi Smith

Bobbi Smith was a few credits shy of graduating from college when her husband became severely disabled. In need of employment to support her family, the mother of three from Stevens County went to her local Rural Minnesota Concentrated Employment Program

The non-profit organization funded by federal, state and county dollars prepares people for work in 19 northwestern Minnesota counties – Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Lake of the Woods, Mahnommen, Morrison, Otter Tail, Pope, Stevens, Todd, Traverse, Wadena and Wilkin.

As a Minnesota Family Investment Program (MFIP) recipient, Bobbi was eligible for education and training services. MFIP, administered by the Department of Human Services, and delivered by local counties helps low-income Minnesotans with children achieve self-sufficiency through temporary job counseling, financial assistance and nutrition assistance.

At Rural Minnesota CEP, Bobbi received job search, résumé and interviewing assistance. The organization also provided help with gas vouchers, a car repair and work attire to make sure Bobbi would be successful in her job search. Bobbi said the staff was “amazing to work with – kind, helpful and outgoing all the way!”

After learning how to showcase her abilities through her résumé, she had a phenomenal first interview with a law firm. While she was not selected for that job, they recommended her to another firm that was hiring. Rural Minnesota CEP contacted that agency following her interview to offer an on-the-job training contract. The contract defrays the cost of training for applicants without previous experience in the field.

Bobbi landed the position and the firm is excited to have her on board as an executive legal assistant. In December 2011, she graduated with honors from the University of Minnesota, Morris, with a Bachelor of Arts in management. Her family is no longer receiving MFIP assistance and moved out of subsidized housing to a home just blocks from Bobbi's new job.

“We now live in a house. I work full-time...and life is great,” Bobbi said.

#### IV. The Minnesota Family Investment Program

The federal TANF program is a block grant to states to help needy families become self-sufficient. States have broad flexibility in developing programs that meet the purposes of the TANF block grant, as outlined in federal law.

The Minnesota Legislature determines how TANF funds are used. Since 1998, these funds have been used to support a variety of programs and services that meet federal goals and purposes of the program. Federal TANF funds have also been used in place of state dollars to maintain programs and services during budget reductions.

The Minnesota Family Investment Program and the Diversionary Work Program are Minnesota's TANF programs. Eligibility for MFIP and DWP requires that a participant:

- A United States citizen or qualified, legal noncitizen.
- A Minnesota resident, with a child in the assistance unit.
- Countable earned and unearned income below the current family wage level, which is approximately 67 percent of federal poverty guidelines.

#### Characteristics of MFIP/DWP cases (December 2013 cases):

- MFIP and DWP cases continue to decrease. Caseloads fell by 4 percent between December 2011 and 2012, and by 6 percent between December 2012 and 2013.
- The average age of MFIP caregivers is 31 years.
- Rates of serious mental health diagnoses have increased over the last six years, with 41 percent of child-only cases, 54 percent of MFIP cases with caregivers, and 33 percent of DWP cases having at least one caregiver with a serious mental health diagnosis within the last three years.
- The average cash grant for MFIP child-only cases was \$312, eligible adult MFIP cases \$353 and DWP, \$359.
- In total, 69,603 children participated in MFIP or DWP. There were 44,901 children eligible in MFIP-eligible adult cases, 19,889 children eligible in MFIP child-only cases, and 4,813 children eligible on DWP.
- The average age of the youngest child in MFIP child-only cases is 8 years; in MFIP cases, 6 years; and in DWP cases, 5 years.

#### Age distribution of children in MFIP cases:

Age	Child-only	MFIP	DWP
Less than 1 year old	527 (4.8%)	4,672 (20.7%)	235 (9.2%)
1-5 years old	3,514 (32.2%)	10,823 (47.9%)	1,233 (48.1%)
6-10 years old	2,985 (27.4%)	3,830 (17.0%)	551 (21.5%)
11-12 years old	1,036 (9.5%)	921 (4.1%)	125 (4.9%)
13-15 years old	1,568 (14.4%)	1,221 (5.4%)	146 (5.7%)
More than 15 years old	1,272 (11.7%)	766 (3.4%)	107 (4.2%)

## V. Benefit Levels

Families today receive the same dollar amount of monthly assistance when they turn to cash assistance as families received in 1986. In 1986, the MFIP cash benefit supported a family at 70 percent of the federal poverty guidelines. What once paid the rent for families in crisis now will pay only half the cost of a two-bedroom apartment in the metro area, according to the United States Department of Housing and Urban Development (HUD) published Fair Market Rent levels. Current assistance levels keep families in deep or extreme poverty, defined as living below 50 percent of the federal poverty line. The Minnesota Family Investment Program provides income support to the poorest children and their families, yet it cannot adequately house a family when facing a crisis such as a lost job, serious illness, or domestic violence.

Since the last increase in cash benefits in 1986, fair market rents have increased 108 percent and inflation has increased 215 percent. Compared to other states, Minnesota's MFIP benefit has declined in value by 33.7 percent since 1996, which is a decline greater than that of 28 other states.<sup>6</sup>

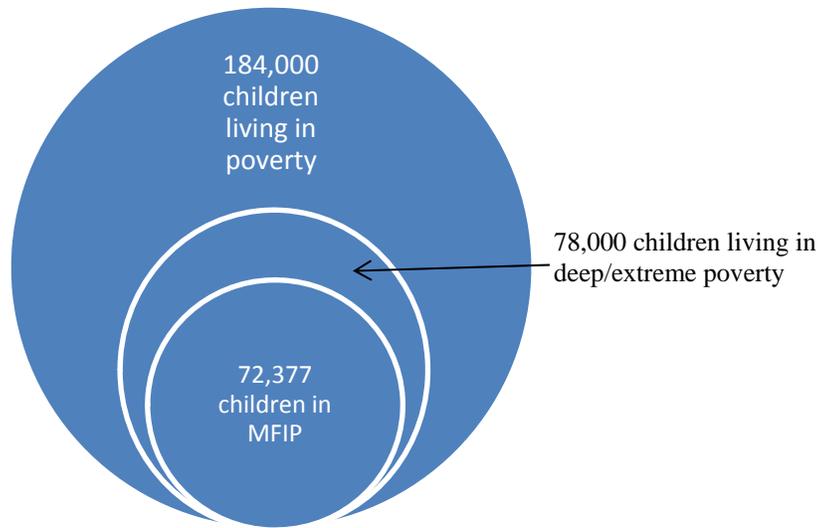
Minnesota has more children living in deep poverty today than children living in MFIP households. A contributing factor includes a declining rate of families who meet eligibility for MFIP but not enrolling in MFIP. Currently 32 percent of potentially eligible families enroll in MFIP, this is down from 44 percent in 2005 (Appendix C). The eroding value of the MFIP cash grant coupled with increased program complexity could be factors contributing to this.

### Deep poverty and MFIP

The proportion of Minnesota's children in poverty who are actually in deep poverty	42%
The number of children in deep poverty in Minnesota, 2012	78,000
The number of children in MFIP households, December 2012	72,377

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<sup>6</sup> TANF Cash Benefits Have Fallen by More Than 20 Percent in Most States and Continue to Erode. Center on Budget and Policy Priorities. <http://www.cbpp.org/cms/?fa=view&id=4222>



**Rents and cash assistance levels**

	Amount of monthly cash assistance a Minnesota family of three received	Rent for a two-bedroom apartment in the Twin Cities (per HUD Fair Market Rent levels)
1986	\$532	\$480 <sup>7</sup>
2015	\$532	\$996 <sup>8</sup>

<sup>7</sup>Fiscal Year 2014 Fair Market Rent History for Hennepin County, MN  
[http://www.huduser.org/portal/datasets/fmr/fmr\\_il\\_history/history\\_fmr.odn?inputname=METRO33460M33460\\*HennepinCounty%2B2705399999&county\\_select=yes&statename=Minnesota&statefp=27&stusab=MN&fmr\\_year=2014&il\\_year=2014&area\\_choice=county](http://www.huduser.org/portal/datasets/fmr/fmr_il_history/history_fmr.odn?inputname=METRO33460M33460*HennepinCounty%2B2705399999&county_select=yes&statename=Minnesota&statefp=27&stusab=MN&fmr_year=2014&il_year=2014&area_choice=county)

<sup>8</sup> Fiscal Year 2015 Fair Market Rent Documentation System  
[http://www.huduser.org/portal/datasets/fmr/fmrs/FY2015\\_code/2015summary.odn](http://www.huduser.org/portal/datasets/fmr/fmrs/FY2015_code/2015summary.odn)

## VI. Current Uses of TANF Funding

The TANF block grant provides states with broad flexibility in how to use TANF funds in developing programs and strategies to meet the four federally established purposes for TANF, which include:

- Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives.
- End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.
- 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
- Encourage the formation and maintenance of two-parent families.

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Jessica is a young mom, who lived in foster care most of her teen years. She has two young children, both in diapers and is separated from the father of her children because of his drug and alcohol use. He recently went through treatment. Jessica was on maternity leave when she separated from him, and lost her job when she found herself the sole caregiver for the two young children. She owns her mobile home, so her lot rent payment is \$330 a month. But the cost of baby supplies, which is not covered by food support, and utilities, means that there is no money left at the end of the month, and will likely fall behind on utilities again. Fuel Assistance did help with a back amount due, but does not pay the on-going amount. She has a car, but struggles to pay the car insurance. The mobile home park she lives in has limited bus service, so she needs a car with her two young children. Her former foster mother tries to help out, by paying for her phone. Her MFIP grant is about \$532.

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Within the federal TANF goals, federally mandated components must be included within a states TANF program to prevent a reduction in the state's TANF block grant. These mandates require states to:

- Meet a Maintenance of Effort requirement where 75 to 80 percent of historic spending must be spent on programs that meet the four purposes of TANF.
- Meet federal Work Participation Requirement (WPR), where 50 percent of work-eligible individuals receiving assistance must meet minimum hourly requirements in a federally defined work activity which includes paid work, job search and job skills training.

Minnesota utilizes TANF funding primarily to fund the following components which support and aid in the delivery of the Minnesota Family Investment Program:

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Kim is a mother of one living in central Minnesota who recently lost her server job when the restaurant she was working at abruptly closed. Turning to MFIP, Kim's family receives a \$437 cash benefit which doesn't meet her rent of \$752, not to mention her utility bills, transportation costs and other basic living needs. Kim is trying to find employment by using a temp agency, however, this work is unpredictable, sporadic and provides shift-work in the mornings, afternoon and nights, which makes finding child care extremely difficult. To make matters worse, Kim's car recently broke down and is unable to pay the \$300 it will cost to fix her car so she can get to work. Although MFIP provides a limited cash resource and training opportunities, responding to and resolving crisis moments with a limited income takes months to resolve, which only puts her further into debt and instability.

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**Consolidated Fund:** Created in 2004 by combining funding from 11 programs and services, the consolidated fund is allocated to county and tribal agencies primarily responsible for administering the MFIP program. County agency use of consolidated fund allocations include funding direct program costs for services provided to families, including, counseling, job search, job placement, job retention, program overview, interpreter costs, and other direct expenses including wages, benefits, travel, office and phone, administrative costs for county, tribes and private providers to administer social services and program eligibility, emergency assistance payments such as costs to avert utility shut-offs, and housing costs such as damage deposits, transportation, employment-related costs, other costs related to wage subsidies, client incentives, background checks and work supports. Consolidated fund expenditures for the FY 2004-2005 biennium totaled \$183.3 million. It is projected that consolidated fund expenditures in the FY14-15 biennium will total \$189.2 million.

**Cash Assistance:** Direct cash benefits to families and children in MFIP. The cash assistance benefit has not increased since 1986.

**Child Care:** Minnesota transfers funds to the child care fund to provide child care services to MFIP families. MFIP families are able to have child care providers reimbursed for the care provided for their children while the caregiver is participating in employment plan activities.

**Working Family Credit:** TANF funds have been used since 2000 to fund a portion of the Working Family Credit (WFC), a tax credit designed to encourage work, and is targeted especially to low-income families with children. The WFC is Minnesota's counterpart to the federal Earned Income Tax Credit (EITC), one of the nation's most effective anti-poverty strategies.

**Minnesota Department of Health grants:** Includes funds transferred to other state agencies. TANF funds are appropriated to the Minnesota Department of Health for Home Visiting Grants (\$17.1 M for the biennium), Family Planning grants (\$2.3 million for the biennium) and grants to decrease racial and ethnic disparities in infant mortality rates (\$4 million for the biennium).

**Administration:** Administrative costs for the Minnesota Department of Human Services, including oversight and policy development for the MFIP program, appeals, federal reporting requirements, employment services administration, MAXIS computer system costs related to issuance of TANF benefits, fraud prevention activities, the TANF share of the contract for federally required Income Eligibility Verification Systems (IEVS) contract, and indirect costs for general support services, as required under Minn. Stat. §16A.127.

## VII. What is Known About Poverty and Childhood Development and Outcomes?

Studies have shown a clear link that increased cash resources to families increase outcomes for children living in deep poverty. A two-generational approach to addressing poverty is widely regarded as being needed to adequately and positively impact the cycle of poverty, and must be accomplished through promoting work, emphasizing education, improving parenting, and reducing incidences of crime...all items that are improved when providing increased cash resources to families in deep poverty.

Childhood poverty is correlated with poor performance in school. Providing an annual income increase of \$3,000 sustained for several years for very young children has shown a correlation to better school performance.<sup>9</sup> In this same study, an increase of \$3,000 annually for a prenatal to 5 year-old is associated with a long-term impact to future adult earnings of 17 percent and an additional 135 hours of work per year. Minnesota's mission to see improved educational achievement and increased work productivity will rely on moving children out of poverty and especially out of deep poverty.

Additionally, more family income has shown positive results in child development. An increase in family income of \$4,000 has shown to improve educational attainment by one full year, reduce minor crime by 22 percent<sup>10</sup>, and improve the parental quality of children when they themselves become parents.

### Effects of childhood poverty:<sup>11</sup>

- Poverty is linked with negative conditions such as substandard housing, homelessness, inadequate nutrition and food insecurity, inadequate child care, lack of access to health care, unsafe neighborhoods, and under-resourced schools which adversely impact our nation's children.
- Poorer children and teens are at greater risk for several negative outcomes such as poor academic achievement, school dropout, abuse and neglect, behavioral and socio-emotional problems, physical health problems and developmental delays.
- Economists estimate that child poverty costs an estimated \$500 billion a year to the U.S. economy; reduces productivity and economic output by 1.3 percent of gross domestic product; raises crime and increases health expenditure.

Poverty and academic achievement:

- Poverty has a particularly adverse effect on the academic outcomes of children, especially during early childhood.

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<sup>9</sup> The Long Reach of Early Childhood Poverty, Greg Duncan and Katherine Magnuson, Pathways, Stanford University, Winter 2011, page 27.

[https://web.stanford.edu/group/scspi/media/pdf/pathways/winter\\_2011/PathwaysWinter11\\_Duncan.pdf](https://web.stanford.edu/group/scspi/media/pdf/pathways/winter_2011/PathwaysWinter11_Duncan.pdf)

<sup>10</sup> Parents' Incomes and Children's Outcomes: A Quasi-Experiment. William Copeland and Elizabeth J. Costello. January 2010. *American Economic Journal: Applied Economics*, 2(1): 86-115. Author manuscript

<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2891175/>

<sup>11</sup> Effects of Poverty, Hunger and Homelessness on Children and Youth. American Psychological Association. <http://www.apa.org/pi/families/poverty.aspx>

- Chronic stress associated with living in poverty has been shown to adversely affect children's concentration and memory, which may impact their ability to learn.
- The National Center for Education Statistics reports that in 2008, the dropout rate of students living in low-income families was about four and one-half times greater than the rate of children from higher-income families (8.7 percent versus 2.0 percent).
- The academic achievement gap for poorer youth is particularly pronounced for low-income African American and Hispanic children compared with their more affluent White peers.
- Inadequate education contributes to the cycle of poverty by making it more difficult for low-income children to lift themselves and future generations out of poverty.

Poverty and psychosocial outcomes include:

- Children living in poverty are at greater risk of behavioral and emotional problems.
- Behavioral problems that may include impulsiveness, difficulty getting along with peers, aggression, attention-deficit/hyperactivity disorder (ADHD) and conduct disorder.
- Emotional problems that may include feelings of anxiety, depression, and low self-esteem.
- Poverty and economic hardship is particularly difficult for parents who may experience chronic stress, depression, marital distress and exhibit harsher parenting behaviors. These are all linked to poor social and emotional outcomes for children.

Poverty and physical health outcomes include:

- Children and teens living in poorer communities are at increased risk for a wide range of physical health problems.
- Low birth weight.
- Poor nutrition, which is manifested in the following ways:
  - Inadequate food which can lead to food insecurity/hunger.
  - Lack of access to healthy foods and areas for play or sports which can lead to childhood overweight or obesity.
- Chronic conditions such as asthma, anemia and pneumonia.
- Risky behaviors such as smoking or engaging in early sexual activity.

## **VIII. Recommendations**

Minnesota has used its TANF dollars on needed and valuable services which directly benefit low-income families.

The task force is unanimous in its recommendation that any reduction of TANF funds to current anti-poverty initiatives must be replaced using general fund dollars. Without the full replacement of TANF dollars using the general fund, the task force, by consensus, could no longer support the following recommendation.

The task force, with a majority opinion, recommends that TANF funds directed outside of Minnesota's TANF program (MFIP) which includes the Working Family Credit through the Minnesota Department of Revenue and grant funds administered by the Minnesota Department of Health should be considered first for redirecting TANF dollars to the cash grant.

Task force members recognize the desire and need to adequately fund MFIP and redirect TANF funds towards the cash grant. However, the lack of any increase to cash grants over the past 28 years has created a funding need much greater than can reasonably be met in the short term, understanding current legislative budget constraints. By implementing the taskforce's recommendations, the additional TANF funds directed towards increasing cash grants would result in a \$80 a month increase in the cash grant for a family, while also keeping whole the Working Family Credit and valuable programs funded through the Minnesota Department of Health.

The fact that an MFIP cash grant (\$532 for a family of three) supports a family at 32 percent of the federal poverty level is problematic. In 1986 the cash grant was able to provide a family a benefit equal to 70 percent of the federal poverty level. Task force members believe that Minnesota should have a goal that the MFIP cash grant have an equal value as it did in 1986 which would allow for a family to move out of deep poverty, and would contribute to family stability and many desirable long-term outcomes for MFIP children around education, future earnings, health and quality parenting.

### **Working Family Credit**

Currently, TANF funds provide approximately \$45 million per biennium to the Working Family Credit. The federal Earned Income Tax Credit (EITC) and Minnesota Working Family Credit equal a percentage of the earnings of low-income individuals, up to a maximum amount. In 2010, about 350,000 Minnesota filers claimed federal EITCs totaling \$666 million, and state WFCs totaling \$193.6 million, of which approximately \$22-23 million per year is funded using TANF funds. About 13 percent of all filers claimed the credits. The average EITC was \$1,906; the average WFC was \$586.<sup>12</sup>

Recent research on the EITC and similar income-boosting measures, such as the Working Family Credit, is noteworthy. It has been shown that the credit does much more than reduce poverty and

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<sup>12</sup> The Federal Earned Income Tax Credit and The Minnesota Working Family Credit. Research Department, Minnesota House of Representatives, March 2013 <http://www.house.leg.state.mn.us/hrd/pubs/feicwfc.pdf>

provide a short-term safety net for low-income working families that receive it. For example, children of EITC recipients do better in school, are likelier to attend college, and earn more as adults. The EITC and WFC also provides income, employment, educational, and health benefits that, for children, can extend into adulthood.<sup>13</sup>

### **Family Home Visiting Program**

The Family Home Visiting program is the largest grant administered by the Minnesota Department of Health funded by TANF dollars. Home Visiting services are delivered in the home environment in an effort to:<sup>14</sup>

- Link pregnant women with prenatal care.
- Support parents early in their role as a child's first teacher.
- Ensure that very young children develop in safe and healthy environments.

Overall, \$23 million in TANF funds are appropriated to the Minnesota Department of Health every biennium, in which \$17.1 million goes towards the Family Home Visiting program.

Research-based family home visiting models have proven that for every public health dollar invested, a return of up to \$5.70 can be expected in savings to programs including Medicaid and food support.<sup>15</sup> In Minnesota, by a child's fifth birthday, state and local government cost savings total \$4,550 per family served by the Nurse-Family Partnership program.<sup>16</sup>

### **Impact to the MFIP Cash Grant**

By adopting the task force's recommendations, MFIP cash grants could be immediately increased to provide a family about \$80 a month in additional resources to meet basic needs. Although this increase falls short of making up for 28 years of inflation and still does not lift a family out of deep poverty, task force members believes this is a modest first step towards meeting some of the goals as outlined by the report from the Legislative Commission to End Poverty by 2020.<sup>17</sup> The task force also makes no recommendation or judgment related to the phase-in of these recommendations. Due to lack of action related to any increase in MFIP cash grants, the task force sees the imperative for increasing cash grants to occur as briskly as the MN budget and Legislature would allow for.

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<sup>13</sup> Earned Income Tax Credit Promotes Work, Encourages Children's Success at School, Research Finds. Center on Budget and Policy Priorities. <http://www.cbpp.org/cms/?fa=view&id=3793>

<sup>14</sup> Family Home Visiting Program. Minnesota Department of Health. *Report to the Minnesota Legislature 2012* [http://www.health.state.mn.us/divs/fh/mch/fhv/documents/fhvprogreport\\_legis2012.pdf](http://www.health.state.mn.us/divs/fh/mch/fhv/documents/fhvprogreport_legis2012.pdf)

<sup>15</sup> Karoly, L., Kilburn, M., Cannon, J.; *Early Childhood Interventions: Proven Results, Future Promise*; RAND Corporation; 2005.

<sup>16</sup> Miller, T. (February 2011). *Cost Offsets of Nurse-Family Partnership in Minnesota*. Calverton, MD: Pacific Institute for Research and Evaluation.

<sup>17</sup> Commission to End Poverty in Minnesota by 2020, Report to the Legislature. January 2009. [http://www.commissions.leg.state.mn.us/lcep/LCEP\\_Final\\_Report\\_SinglePgs.pdf](http://www.commissions.leg.state.mn.us/lcep/LCEP_Final_Report_SinglePgs.pdf)

# Minnesota Temporary Assistance for Needy Families Expenditures Task Force Initial Report

Children and Family Services  
November 2014

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Minn. Stat. Chapter 3.197, requires the disclosure of the cost to prepare this report. The estimated cost of preparing this report is under \$1000.

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## **Executive Summary**

The 2014 Minnesota Legislature directed the Minnesota Department of Human Services to convene the Minnesota Temporary Assistance for Needy Families (TANF) Expenditures Task Force, and to staff and provide technical assistance to the group. The duties of the task force include analyzing past federal TANF expenditures and making recommendations as to which, if any, programs receiving TANF funding should be funded by the general fund to allow a greater portion of TANF funds to go directly to families receiving assistance through the Minnesota Family Investment Program.

This is the first of two reports. This report includes a summary of past expenditures of the TANF block grant in Minnesota. The final report, which must be submitted by Feb. 1, 2015, will include an analysis of past TANF expenditures, and make recommendations as to which programs, if any, should be funded by the general fund rather than TANF. This includes phase-in periods if required to implement changes over time, and draft legislation necessary to implement proposed changes.

## Legislation

Legislation is effective the day following enactment.

**Laws of Minnesota 2014, Chapter 291, Article 1, Section 12.**

### **MINNESOTA TANF EXPENDITURES TASK FORCE.**

#### **Subdivision 1.**

##### **Establishment.**

The Minnesota TANF Expenditures Task Force is established to analyze past temporary assistance for needy families (TANF) expenditures and make recommendations as to which, if any, programs currently receiving TANF funding should be funded by the general fund so that a greater portion of TANF funds can go directly to Minnesota families receiving assistance through the Minnesota family investment program under Minnesota Statutes, chapter 256J.

#### **Subd. 2.**

##### **Membership; meetings; staff.**

(a) The task force shall be composed of the following members who serve at the pleasure of their appointing authority:

(1) one representative of the Department of Human Services appointed by the commissioner of human services;

(2) one representative of the Department of Management and Budget appointed by the commissioner of management and budget;

(3) one representative of the Department of Health appointed by the commissioner of health;

(4) one representative of the Local Public Health Association of Minnesota;

(5) two representatives of county government appointed by the Association of Minnesota Counties, one representing counties in the seven-county metropolitan area and one representing all other counties;

(6) one representative of the Minnesota Legal Services Coalition;

(7) one representative of the Children's Defense Fund of Minnesota;

(8) one representative of the Minnesota Coalition for the Homeless;

(9) one representative of the Welfare Rights Coalition;

(10) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader; and

(11) two members of the senate, including one member of the minority party, appointed according to the rules of the senate.

(b) Notwithstanding Minnesota Statutes, section 15.059, members of the task force shall serve without compensation or reimbursement of expenses.

(c) The commissioner of human services must convene the first meeting of the Minnesota TANF Expenditures Task Force by July 31, 2014. The task force must meet at least quarterly.

(d) Staffing and technical assistance shall be provided within available resources by the Department of Human Services, children and family services division.

### **Subd. 3.**

#### **Duties.**

(a) The task force must report on past expenditures of the TANF block grant, including a determination of whether or not programs for which TANF funds have been appropriated meet the purposes of the TANF program as defined under Code of Federal Regulations, title 45, section 260.20, and make recommendations as to which, if any, programs currently receiving TANF funds should be funded by the general fund. In making recommendations on program funding sources, the task force shall consider the following:

(1) the original purpose of the TANF block grant under Code of Federal Regulations, title 45, section 260.20;

(2) potential overlap of the population eligible for the Minnesota family investment program cash grant and the other programs currently receiving TANF funds;

(3) the ability for TANF funds, as appropriated under current law, to effectively help the lowest-income Minnesotans out of poverty;

(4) the impact of past expenditures on families who may be eligible for assistance through TANF;

(5) the ability of TANF funds to support effective parenting and optimal brain development in children under five years old; and

(6) the role of noncash assistance expenditures in maintaining compliance with federal law.

(b) In preparing the recommendations under paragraph (a), the task force shall consult with appropriate Department of Human Services information technology staff regarding implementation of the recommendations.

### **Subd. 4.**

#### **Report.**

(a) The task force must submit an initial report by November 30, 2014, on past expenditures of the TANF block grant in Minnesota to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

(b) The task force must submit a final report by February 1, 2015, analyzing past TANF expenditures and making recommendations as to which programs, if any, currently receiving TANF funding should be funded by the general fund, including any phase-in period and draft legislation necessary for implementation, to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

**Subd. 5.**

**Expiration.**

This section expires March 1, 2015, or upon submission of the final report required under subdivision 4, whichever is earlier.

**EFFECTIVE DATE.**

This section is effective the day following final enactment.

## **Introduction**

The federal TANF program is a block grant to states to help needy families become self-sufficient. States have broad flexibility in developing programs that meet the purposes of the TANF block grant, as outlined in federal law.

The Minnesota Legislature determines how TANF funds are used. Since 1998, these funds have been used to support a variety of programs and services that met federal goals and purposes of the program. Federal TANF funds have also been used in lieu of state dollars to maintain programs and services during budget reductions.

Recent discussions among legislators and others have raised concerns about the current uses of the TANF block grant, and whether more funding should be directed to increase cash benefits for families with children in the Minnesota Family Investment Program (MFIP). Cash benefits through MFIP have not increased since 1986.

### Task Force Duties

The purpose of the Task Force is to review TANF past expenditures; determine whether the appropriations met the purposes of the program as defined under federal regulations (Code of Federal Regulations, title 45, section 260.20); and to make recommendations as to whether programs that currently receive TANF funding should be funded by the general fund. This report is submitted to the Minnesota Legislature pursuant to Laws of Minnesota 2014, Article 1, Section 12.

The Minnesota Department of Human Services prepared this report after Task Force meetings on July 30, 2014, Oct. 13, 2014, and Nov. 20, 2014. Department staff presented an overview of TANF program rules and requirements related to allowable use of funds, and a summary of expenditures. See Appendix A for a list of Task Force members and their affiliations.

## **Temporary Assistance for Needy Families History and Background**

The federal TANF block grant was created by congress in 1996, the successor to the Aid to Families with Dependent Children program, part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

States have broad flexibility to spend federal TANF funds that meet the purposes of the program:

“§ 260.20 What is the purpose of the TANF program?

The TANF program has the following four purposes:

- (a) Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- (b) End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- (c) 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
- (d) Encourage the formation and maintenance of two-parent families.”

Minnesota’s TANF block grant is \$263.4 million per year. The amount of the block grant does not change over time. To receive the federal block grant, there is also a state spending requirement, called maintenance of effort (MOE). States must spend 75 to 80 percent of historic spending amounts on programs that meet the purposes of TANF.

States must also meet a federal work participation requirement (WPR). This is a mandated work performance requirement for states that have a TANF program. Fifty percent of work-eligible individuals who receive TANF assistance must meet minimum hourly requirements in federally specified work activities such as paid work, job search, and job skills training.

The state maintenance of effort spending requirement is based on whether it meets the work participation rate requirement. In Minnesota, the maintenance of effort requirement is \$176.6 million if the work participation rate is met, and \$188 million if the state does not meet the WPR.

In federal fiscal years 2012-2013, Minnesota used the following state expenditures to meet the basic maintenance of effort requirement of \$176.6 million:

Maintenance of Effort Expenditures in Federal Fiscal Years 2012-2013  
(dollars in thousands)

<b>Category</b>	<b>Expenditures</b>	<b>Percent of Total</b>
State Administration	\$2,276	.6
Emergency Assistance, Employment and Training and County Administration	\$36,010	10.2
Cash Assistance	\$60,282	17.1
Child Care Assistance/Head Start	\$125,803	35.6
Working Family Tax Credit (refundable portion)	\$129,014	36.5
<b>Total</b>	<b>\$353,3853</b>	<b>100%</b>

## TANF Expenditures

The Task Force reviewed the summary of expenditures provided by the department. There was agreement that expenditures met the purposes of the TANF program. Task Force members are continuing to discuss whether some expenditures should continue, or whether the funds should be reinvested in the Minnesota Family Investment Program to increase benefits for low-income families. These considerations will be included in the final report due Feb. 1, 2015.

See Appendix B for table of TANF expenditures.

Categories of expenditures in the table include:

### Work Grants/Minnesota Family Investment Program Consolidated Fund

The MFIP Consolidated Fund was created in SFY 2004.<sup>18</sup> Funds are allocated to counties and tribal agencies based on a formula in state statute. Expenditures include: Direct Program costs for services to low-income families that include counseling, job search, job placement, job retention; program overview; interpreter costs, and other direct expenses including wages, benefits, travel, office and phone; administrative costs for county, tribes and private providers to administer social services and program eligibility; emergency assistance payments such as costs to avert utility shut-offs, and housing costs such as damage deposits; transportation; employment-related costs; and other costs related to wage subsidies, client incentives, background checks and work supports. See Appendix D for additional information on expenditures in the MFIP Consolidated Fund.

### Cash Assistance including Child Support Pass-through

Included in this category are Minnesota Family Investment Program and Diversionary Work Program grants to individuals and the federal share of child support collections. Federal regulations require that when the state collects child support for a family receiving assistance through the federal TANF program, the state must send a portion of the amount collected to the federal government to reduce the federal cost of the child support program. This amount is based on the Federal Medical Assistance Percentage rate in place at the time the collection is received – 50 percent in Minnesota.

### Transfers to the Child Care Development Fund

States may transfer up to 30 percent of the TANF block grant to either the Child Care Development Fund or the Social Services Block Grant. Of the 30 percent, a maximum of 10 percent may be transferred to the Social Services Block Grant. Minnesota transfers about 18 percent to the Child Care Development Fund.

### Working Family Tax Credit

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<sup>18</sup> In the 2003 legislative session, TANF and general fund appropriations for 11 programs and services were redirected to a single, consolidated fund. Funds are allocated to county and tribal agencies to administer services to help families become self-sufficient.

Since 2000, a portion of the refundable Working Family Tax Credit, a tax credit for low-income working families, has been funded with TANF.

#### Other Grants

Other grants include expenditures for funds transferred to other state agencies. Currently, funds are appropriated to the Minnesota Department of Health for Home Visiting Grants (\$17.1 M for the biennium), Family Planning Grants (\$2.3 M for the biennium and grants to decrease racial and ethnic disparities in infant mortality rates (\$4 M/biennium).

#### Administration

Administrative costs for the Department of Human Services, including oversight and policy development for the MFIP program, appeals, federal reporting requirements, employment services administration, MAXIS computer system costs related to issuance of TANF benefits, fraud prevention activities, the TANF share of the contract for federally required Income Eligibility Verification Systems (IEVS) contract, and indirect costs for general support services, as required under Minn. Stat. §16A.127.

#### Transfers to the Social Services Block Grant

A maximum of 10 percent may be transferred to the Social Services Block Grant, and is included in the overall 30 percent maximum that may be transferred to both the Child Care Development Fund and the Social Services Block Grant. Minnesota transfers about 2 percent to the Social Services Block Grant.

#### American Recovery and Reinvestment Act (ARRA) of 2009

The expenditures shown in this report include one-time federal funding for TANF under the American Recovery and Reinvestment Act (ARRA) of 2009. From Oct. 1, 2008 through Sept. 30, 2010, Minnesota earned \$80.5 million through ARRA. These one-time funds were spent on the following:

- MFIP cash assistance: \$30 million
- Emergency Assistance: \$21.7 million
- Working Family Tax Credit: \$15.5 million
- Supported work for MFIP participants: \$9.3 million
- Summer youth employment program: \$3.1 million
- Summer food program for low-income children: \$800,000.

## **Refinancing History**

Task Force members requested that information on expenditures of TANF funds that refinanced state dollars be included in this report. Refinancing here includes any investment of TANF funds that did not result in an increase in program activity for low-income populations. TANF appropriations replaced state general fund investments, with no increase in program activity.

See Appendix C

### Report Recommendations

This initial report includes information on expenditures of the federal TANF funds only: no recommendations are required. A final report, including recommendations and draft legislation, is due to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by Feb. 1, 2015.

## Appendix A

Members of the task force:

Local Public Health Association (LPHA)

Joan Brandt, St. Paul/Ramsey County Public Health

Association of Minnesota Counties

Deborah Huskins, Hennepin County

Sheila Kiscaden, Olmsted County

MN Legal Aid

Jessica Webster, Staff Attorney

Children's Defense Fund

Stephanie Hogenson

Minnesota Coalition for the Homeless

Katherine Wagoner

Minnesota Welfare Rights Coalition

Linden Gawboy

MN Management and Budget

Angela Vogt

MN Department of Health

Jim Koppel

Minnesota House of Representatives

Representative Diane Loeffler

Representative Nick Zerwas

Minnesota Senate

Senator Tony Lourey

Senator Julie Rosen

**Appendix B**

Temporary Assistance for Needy Families Expenditures

The following table includes actual expenditures from the TANF block grant by biennia from 1998 through 2013 by category of spending. Estimated expenditures are provided for fiscal years 2014 through 2017, as per decisions at the end of the 2014 legislative session. Total expenditures vary significantly by category and between biennia depending on legislative and forecast changes. In addition, from Oct. 1, 2008 through Sept. 30, 2010, Minnesota earned additional federal funds of \$80.5 million through the American Recovery and Reinvestment Act of 2009 (see page 12 for details).

Dollars in thousands

Category	1998-1999		2000-2001		2002-2003		2004-2005		2006-2007		2008-2009		2010-2011		2012-2013		Estimated as of 2014 Session			
	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%	Dollars	%		
Work Grants/MFIP Consolidated Fund Grant	85,771	23%	114,257	20%	117,984	17%	183,329	37%	202,207	36%	226,007	41%	253,945	42%	196,483	36%	189,222	36%	192,622	37%
Cash Assistance (includes Child Support pass through)	264,320	71%	203,633	36%	328,335	47%	199,096	40%	185,448	33%	179,784	33%	163,285	27%	153,573	28%	149,968	28%	158,491	29%
Child Care and Development Fund	791	0%	85,642	15%	52,857	8%	47,631	10%	92,155	16%	59,680	11%	81,602	13%	106,169	19%	96,550	18%	98,793	18%
Working Family Tax Credit	0	0%	70,094	12%	59,606	9%	36,750	7%	35,438	6%	40,667	7%	62,511	10%	44,477	8%	43,951	8%	45,098	8%
Other Grants	0	0%	21,716	4%	86,037	12%	13,227	3%	28,216	5%	23,073	4%	23,727	4%	24,895	5%	23,706	4%	23,706	4%
Administration	11,937	3%	11,212	2%	11,529	2%	8,025	2%	12,903	2%	12,933	2%	12,504	2%	12,569	2%	15,456	3%	16,056	3%
Social Services Block Grant	10,300	3%	59,480	11%	39,080	6%	12,717	3%	9,554	2%	9,580	2%	9,580	2%	9,580	2%	9,580	2%	9,580	2%
<b>Total Uses</b>	<b>373,119</b>	<b>100%</b>	<b>566,034</b>	<b>100%</b>	<b>695,428</b>	<b>100%</b>	<b>\$500,775</b>	<b>100%</b>	<b>\$565,921</b>	<b>100%</b>	<b>\$551,724</b>	<b>100%</b>	<b>\$607,154</b>	<b>100%</b>	<b>\$547,746</b>	<b>100%</b>	<b>\$528,433</b>	<b>100%</b>	<b>544,346</b>	<b>100%</b>

**Appendix C - TANF Refinancing Benefiting the General Fund: SFY 1998 to SFY 2015, as of 2012 Session**

<i>thousands of dollars</i>									
	<b>Social Service Block Grant</b>	<b>Child Care Development Fund</b>	<b>MFIP Cash</b>	<b>Working Family Credit</b>	<b>Other Social Services</b>	<b>Housing and Economic Development</b>	<b>Total</b>	<b>TANF Spending Actual and End of Session 2012</b>	<b>Percent</b>
SFY 1998	0						0	186,050	-
SFY 1999							0	187,071	-
SFY 2000	15,140	27,751			1,175	5,500	49,800	265,546	18.8%
SFY 2001	15,140			6,554	1,175	4,000	54,620	300,488	18.2%
SFY 2002	11,140				1,175		12,315	321,847	3.8%
SFY 2003	11,140				1,175		12,315	373,571	3.3%
SFY 2004	140		3,952				4,092	261,032	1.6%
SFY 2005	3,277						3,277	239,441	1.4%
SFY 2006	140	6,692				1,147	7,979	276,760	2.9%
SFY 2007	140	30,527				1,147	31,814	289,161	11.0%
SFY 2008	140	3,261	21,085				24,486	256,514	9.5%
SFY 2009	140	3,795	38,281				42,216	295,210	14.3%
SFY 2010	140	5,552	(596)				5,096	261,909	1.9%
SFY 2011	140	7,469	(500)				7,109	271,959	2.6%
SFY 2012	140	13,212					13,352	261,896	5.1%
SFY 2013	140	31,212	7,000				38,352	280,306	13.7%
SFY 2014	140	17,212	10,850				28,202	261,487	10.8%
SFY 2015	140	17,212	10,850				28,202	259,042	10.9%
<b>Total</b>	<b>57,377</b>	<b>191,880</b>	<b>90,922</b>	<b>6,554</b>	<b>4,700</b>	<b>11,794</b>	<b>363,227</b>	<b>4,849,290</b>	<b>7.5%</b>

Refinancing includes any investment of TANF funds directed by the Minnesota Legislature that did not result in an increase in program activity for low-income populations. TANF funds replaced state general fund investments, with no increase in program activity. Refinancing may be a one-time funding change or ongoing.

**X. Appendix B**

**Members of the task force:**

Local Public Health Association (LPHA)

Joan Brandt, St. Paul/Ramsey County Public Health

Association of Minnesota Counties

Deborah Huskins, Hennepin County

Sheila Kiscaden, Olmsted County

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Minnesota Department of Human Services

Erin Sullivan Sutton

Minnesota Management and Budget

Angela Vogt

Minnesota Department of Health

Jim Koppel

Minnesota House of Representatives

Representative Diane Loeffler

Representative Nick Zerwas

Minnesota Senate

Senator Tony Lourey

Senator Julie Rosen

**XI. Appendix C – Percent of eligible MFIP families enrolling in MFIP/DWP**

