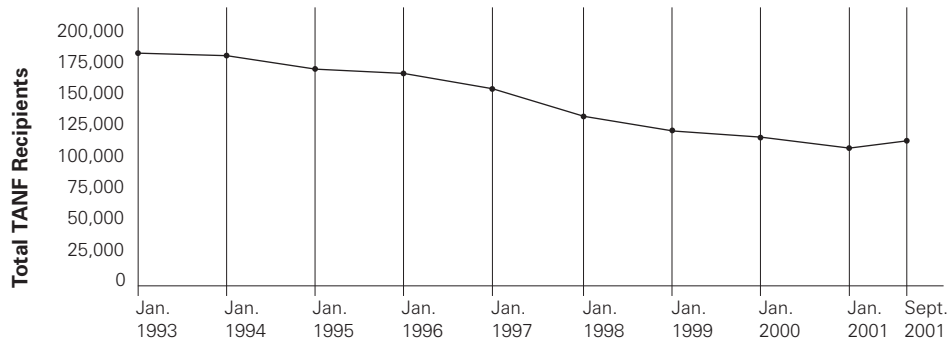


TITLE	WELFARE TO WORK: WHAT HAVE WE LEARNED?								
SUBJECT	FINDINGS FROM RESEARCH ON WELFARE REFORM IN ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, OHIO, & WISCONSIN	3-2002							
	<table border="1"><tr><td>IL</td><td>IN</td><td>IA</td><td>MI</td><td>MN</td><td>OH</td><td>WI</td></tr></table>	IL	IN	IA	MI	MN	OH	WI	
IL	IN	IA	MI	MN	OH	WI			

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MINNESOTA IN BRIEF

Welfare caseloads have declined dramatically.



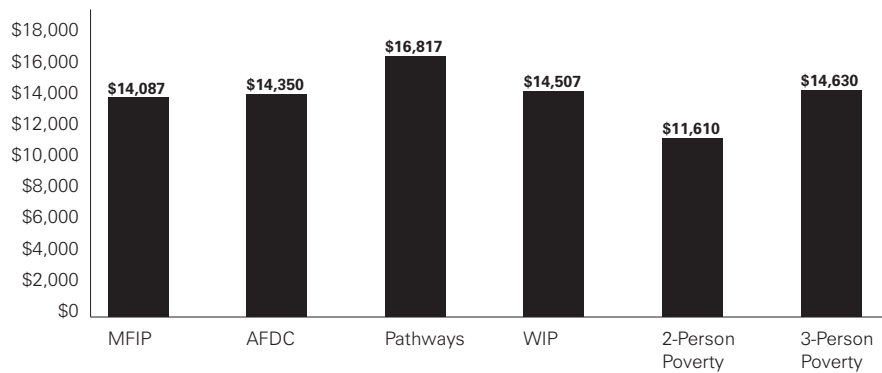
Most MFIP participants want to work and do.

49% of single-parent long-term recipients worked.

68% preferred to work full time.

19% said their families are better off if they stay on welfare.

Low earnings leave many families poor.



MFIP reduced hardship for many families.

MFIP families had higher total incomes than those on AFDC.

MFIP recipients were more likely to be married than were AFDC recipients.

MFIP substantially reduced the incidence of abuse of family members.

Mothers in MFIP were less likely to report that children had behavior problems.

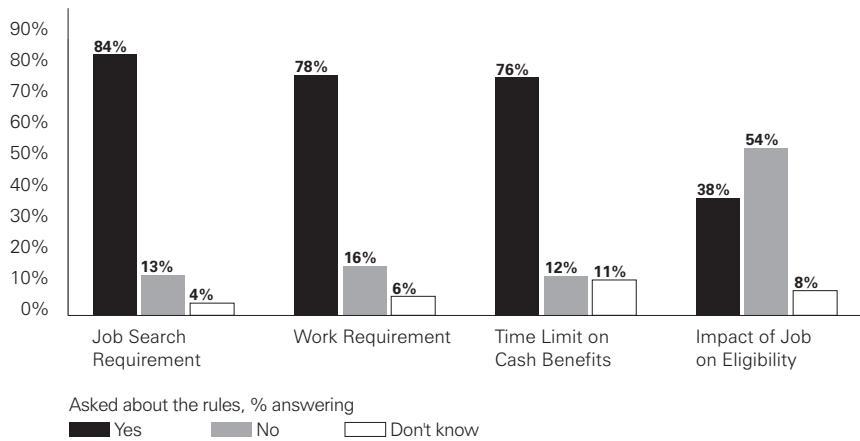
Families face barriers to work.

	Did Not Work	Worked less than 7 Quarters	Worked more than 7 Quarters
No HS Diploma	50%	40%	23%
Child Care Problem	58%	56%	51%
Transportation Problem	61%	49%	39%
Emotional/Health Problem	53%	34%	22%

Families still need government assistance.

Percent Receiving Welfare	85%
Percent Relying Solely on Welfare	43%
Percent Combining Work and Welfare	42%

Some families are still unclear on new rules and regulations.

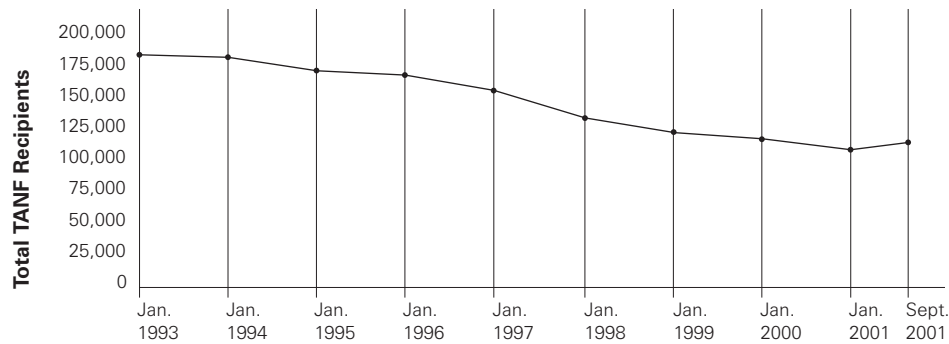


WELFARE REFORM IN MINNESOTA

Operating as a pilot project in seven counties from April 1994 to June 1998, the Minnesota Family Investment Program (MFIP) was designed to simultaneously encourage work, reduce dependence on public assistance, and reduce poverty. The program included financial incentives to reward work, and long-term welfare recipients were required to participate in employment-focused services. Because MFIP was a pilot program, Minnesota was one of the few states that could evaluate how recipients were doing under reform as compared to the old TANF program. The demonstration formed the basis of a modified version of Minnesota's current welfare program, MFIP-S, which includes lower earnings disregards and a stronger work-first emphasis.

Although MFIP placed less emphasis than other state programs on decreasing caseloads, the number of individuals receiving welfare in Minnesota has dropped substantially, from 169,744 in August of 1996 to 116,288 as of September 2001.¹ This decline of 31.5% is, however, far less than the 56% decline nationally during this period and second lowest among the seven states in the region. In addition, the rate of decline slowed significantly in 2000—declining only 5% from January 2000 to January 2001—and in fact by September 2001 the number of individuals receiving TANF benefits in Minnesota had increased slightly over January of that year.

FIGURE 1 NUMBER OF MINNESOTA WELFARE RECIPIENTS: JANUARY 1993 TO SEPTEMBER 2001



Data Source: U.S. Department of Health and Human Services, Administration for Children and Families.

That caseloads declined even as much as they did in Minnesota suggests that economic forces were also crucial to families leaving welfare. As of August 2001, Minnesota's monthly seasonally adjusted unemployment rate stood at 3.6%, 0.3% higher than a year earlier but still nearly 1.3% below the national rate of 4.9% and second lowest among the seven Joyce states. It may be somewhat surprising then that the percent of families on welfare in Minnesota has not continued its slow but steady pace downward. The findings summarized suggest that in order to understand welfare reform one must look beyond caseload declines and unemployment rates.

¹ Latest available figures from U. S. Department of Health and Human Services, Administration for Children and Families.

WHAT THE RESEARCH TELLS US

More people who were involved in MFIP went to work than did those in the traditional AFDC program.

MFIP² was explicitly designed to promote work while simultaneously reducing poverty by allowing families to keep more of their benefits while earning income than they would have with the traditional AFDC program. MFIP was an improvement over AFDC on the first count.

- 49% of MFIP recipients worked in an average quarter.
- 37% of AFDC recipients worked in an average quarter.
- 42.9% of the MFIP group were relying solely on welfare.
- 54.5% of the AFDC group were relying solely on welfare.

MFIP had consistent impacts across racial and ethnic groups. Both urban and rural MFIP participants increased their average employment rates compared to AFDC recipients; these employment rates increased each year, although the impact of MFIP lessened each year. It should also be pointed out that a higher percentage of MFIP participants were receiving welfare than the AFDC group and on average a significant minority of both rural and urban MFIP participants were not working (see Table 1).

TABLE 1 EMPLOYMENT STABILITY FOR SINGLE-PARENT LONG-TERM RECIPIENTS

Average Quarterly Employment Rate	MFIP Urban	AFDC Urban	Impact	MFIP Rural	AFDC Rural	Impact
Year 1	46.0%	32.8%	13.0%	43.8%	32.0%	11.8%
Year 2	53.2%	39.3%	13.9%	50.3%	44.5%	5.8%
Year 3	56.2%* *(Quarters 1 to 3)	44.7%*	11.5%	53.6%** **(Quarter 10)	46.9%**	6.7%

Miller, C., Knox, V., et al. *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program*. September 2000.

The National Results Council's (NRC) analysis of the Pathways Program,³ which provides customized training to eligible welfare recipients, also shows that employment stability increases over time. At 120 days after leaving the program 34% of participants were working and at the one-year mark 40% were employed. However, NRC also found that there was no statistically significant difference in employment rates, after 120 days or after one year, between Pathways

² The findings discussed in this section refer to the pilot version of MFIP and specifically to single-parent long-term recipients because the effects for this group most fully capture the combined effect of MFIP's incentives and mandates.

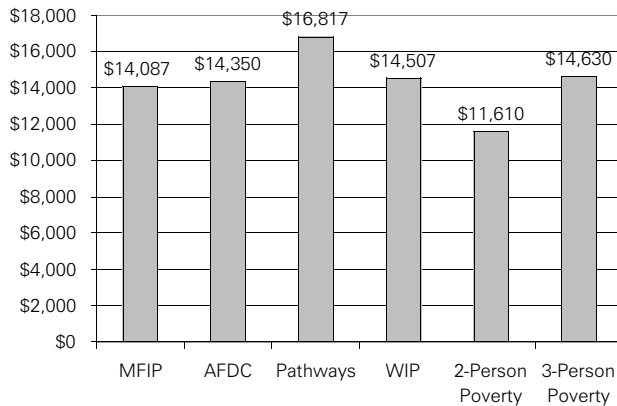
³ The Minnesota Pathways Program provides state grants to educational institutions for the development of training programs for individuals transitioning from public assistance to work. The training programs, which must include the active participation of private employers, are designed to meet specific business needs.

and WIP⁴ participants.⁵ This suggests that many welfare recipients, regardless of the particular program they were in, may have found work not as a result of the program but due to the generally improving economy and increasing availability of jobs.

Some families who have moved from welfare to work escaped poverty; others remain at or below the poverty level.

MFIP also helped reduce poverty, although this is less apparent at first glance. MFIP participants had an average hourly wage of \$8.05 per hour.⁶ AFDC recipients actually earned more, at \$8.20 per hour.⁷ WIP participants earned \$8.29 per hour, while those receiving Pathways training earned hourly wages of \$9.61.⁸ Since the latter had reported that, prior to training, their average wage was only \$8.11, Pathways appears to have been successful in helping participants find relatively high-paid jobs. On the other hand, families who can't participate in such an intensive program will likely earn closer to \$8.00 per hour. On average, participants in all four programs worked about thirty-four hours per week.⁹ Calculating annual income from these wages suggests that a parent with one child who works full-time and full-year can move out of poverty, and those with two children will fall slightly below poverty; or, those who had the benefit of an intensive training program like Pathways tenuously maintain their families just above poverty.¹⁰

FIGURE 2 ANNUAL EARNED INCOME AND POVERTY



Annual Income = (avg. wage) x (35 hours) x (50 weeks)

These income figures assume full-time steady employment. Even a short period of unemployment or a reduction in hours or wages can push most families back into poverty. MFIP data suggest that income, based on average earnings including those who work only part-time or part-year, is

4 Minnesota's WIP program is delivered through four Twin Cities employment and training agencies which provide work-first services to TANF recipients who have been on TANF for at least 30 months and have two of the three barriers to employment associated with long-term welfare dependence. These are: no HS diploma or GED and low reading or math skills; in need of substance abuse treatment; or, has a poor work history.

5 *Ways to Work: Off Welfare and Out of Poverty*. Final Report to the Joyce Foundation. National Results Council.

6 This figure is based on urban MFIP participants.

7 MFIP.

8 *Ways to Work*.

9 MFIP wage and hours worked data is from 1996 while NRC data is from 2000. Wage figures not adjusted for inflation.

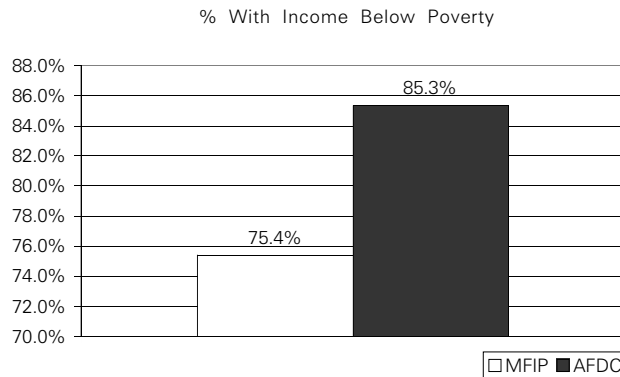
10 Poverty line reported here is for 2001.

lower than income calculated based on full-time work at average wages.

- MFIP participants earned an average of \$955 per quarter.
- AFDC participants earned an average of \$779 per quarter.

However, in line with MFIP's antipoverty focus, families with earnings were able to keep more of their welfare benefits than AFDC recipients. As a result, their overall poverty rates, while still quite high, were lower.

FIGURE 3 MFIP AND AFDC PARTICIPANTS BELOW POVERTY



Miller, C., Knox, V., et al. *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program*. September 2000.

Health problems, child care, lack of education and other problems prevent some welfare recipients from getting jobs, and make it hard for others to stay employed.

Despite the opportunity to keep cash benefits while working, it's clear that many did not work and remained poor. A criticism of MFIP was that generous earnings disregards (the amount a family can earn before the TANF cash benefit is reduced) created a disincentive to work. While this may be true to some extent, some participants clearly faced personal barriers to work such as lack of education, problems with child care and transportation, or poor health.

MFIP participants with no high school diploma, or with problems related to child care, transportation or health, were less likely to work. Even among those who were employed at some point, fewer participants with these barriers were able to maintain their employment for more than seven quarters (see Table 2). Among recipients who did not work, nearly half did not have a high school diploma; of those who worked more than seven months only 23% did not have their diploma. This suggests that high school dropouts can find work, but they are much less able to maintain their employment over time. Fifty-eight percent of nonworking recipients had problems arranging child care; however, among those who worked more than seven quarters, nearly as many (51%) had the same problem. This suggests that while a majority of MFIP participants had child care problems, most were able to address their needs.

Transportation, a frequently cited problem, is highly correlated with unemployment. Sixty-one percent of MFIP participants who did not work had transportation problems compared to less than half of those who worked seven months or less. Health is also a major predictive factor of work. Among recipients who did not work, 53% reported emotional or health problems, while only 22% of those who worked seven quarters or more had such problems. This was the largest difference between non-workers and those who worked more than seven months, suggesting that health problems are a substantial work barrier.

TABLE 2 UNEMPLOYMENT, WORK DURATION AND BARRIERS AMONG MFIP PARTICIPANTS

	Did Not Work	Worked <7 Quarters	Worked >7 Quarters
No HS Diploma	49.6%	40.4%	23.2%
Child Care Problem	57.9%	55.9%	51.4%
Transportation Problem	61.3%	48.7%	39.3%
Emotional/Health Problem	52.6%	33.5%	21.6%

Miller, C., Knox, V., et al. *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program*. September 2000.

NRC reported that participants in the Pathways program and WIP faced many of the same barriers, but those referred to Pathways generally faced fewer of them. One might think those with more barriers would be more likely to be referred to an intense training program like Pathways. But this finding is consistent with other studies indicating that pre-employment training is generally assigned to clients who are already more job-ready, while job placement is used more with individuals who are actually less job-ready.¹¹

TABLE 3 WORK AND BARRIERS AMONG PATHWAYS AND WIP PARTICIPANTS

Barrier	Pathways	WIP
No HS Diploma	42%	66%
Child Care	48%	64%
Transportation	26%	55%
Limited Work History	24%	81%

National Results Council. *Ways to Work: Off Welfare and Out of Poverty. Final Report to the Joyce Foundation*. May 2001.

Families experience a mix of benefits and hardships.

While living on a low income inherently involves increased economic difficulty, MFIP reduced hardship for many families.

- MFIP families had higher total incomes than those on AFDC.
- MFIP recipients were more likely to be married than were AFDC recipients.

- MFIP substantially reduced the incidence of domestic abuse:¹² Among single, urban mothers with young school-aged children, those in the MFIP group were 18 percent less likely to have experienced abuse during the three-year period.
- Mothers in MFIP were less likely to report that their children exhibited problem behaviors such as cheating or being cruel, disobedient, or moody.

However, it is important to note that many AFDC families were not entitled to the same benefits as those in MFIP and thus experienced hardship at greater rates. It is also clear that making families better off costs more than the typical welfare-to-work program. The estimated annual costs of MFIP, over and above those of the AFDC program, ranged from about \$1,600 to \$3,800 per family. A primary contributor to these higher costs was MFIP's more generous benefit payments. In part as a result of these higher costs, Minnesota reduced the amount that a family could earn before becoming ineligible for cash assistance from 140% of poverty to 120% of poverty and now imposes a time limit. Thus participants in the current state welfare program, MFIP-S, may not experience the benefits listed above to the same degree as did pilot program participants.

Many families continue to rely on government assistance to get by.

A goal of the PRWORA law was to reduce dependency on government assistance; however, Minnesota also made an explicit effort to simultaneously reduce poverty. By some measures, MFIP reduced dependence, but by others it did not. MFIP families were 21% less likely to be solely dependent on welfare but because MFIP allowed families to keep more of their benefits when they worked, more MFIP families than AFDC families received welfare in an average quarter. However, families rely on welfare to varying degrees, and a family combining work and welfare would generally be considered less dependent than one relying solely on welfare, despite the fact that both receive some benefits. Using another definition, then, MFIP substantially reduced dependence since in each quarter after program entry, more AFDC recipients relied only on welfare, compared with the MFIP group.

TABLE 4 EMPLOYMENT IMPACTS FOR SINGLE-PARENT LONG-TERM RECIPIENTS

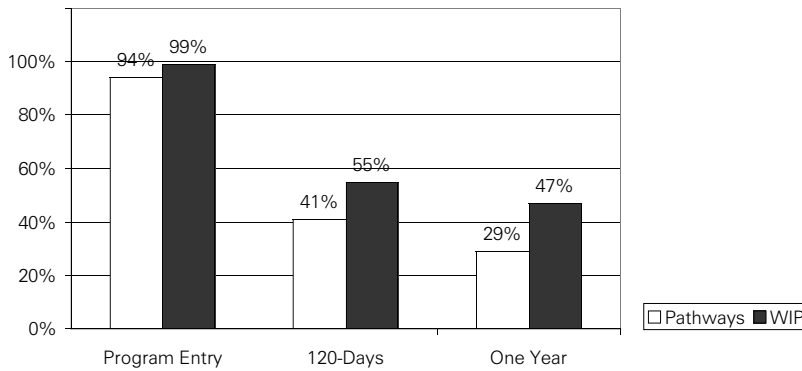
	MFIP	AFDC	% Impact
Percent Working	49.9%	36.9%	12.9%
Percent Receiving Welfare	85.3%	80.6%	4.7%
Percent Relying Solely on Welfare	42.9%	54.5%	-11.6%
Percent Combining Work and Welfare	42.4%	26.1%	16.3%

Miller, C., Knox, V., et al. *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program*. September 2000.

¹² These reductions were in abuse by intimate partners, such as husbands or boyfriends, as well as family members or other individuals.

Post-PRWORA results reported by NRC researchers show a reduction in welfare use by participants in both the Pathways program and WIP. This suggests that the increased emphasis on work, time limits, and the generally strong Minnesota economy helped move families off welfare. Interestingly however, although WIP emphasized work-first, the decrease in welfare dependence was greater among Pathways participants (65 percentage points) than for WIP families (52 percentage points) (See Figure 4). This suggests that customized training programs can be quite effective in both increasing employment and reducing welfare receipt.

FIGURE 4 WELFARE RECEIPT AMONG PATHWAYS AND WIP PARTICIPANTS

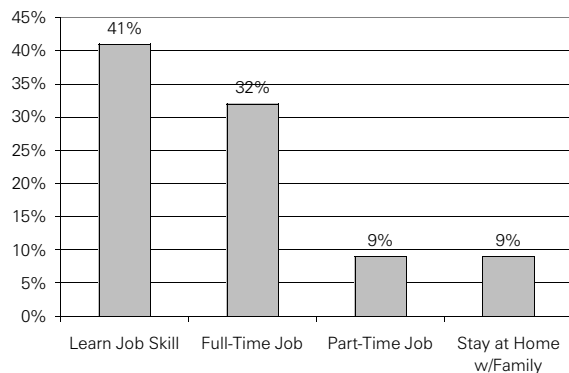


NRC. *Off Welfare and Out of Poverty. Final Report to the Joyce Foundation.* May 2001.

Many recipients are positive about work.

Although much emphasis has been placed on improving welfare recipients’ attitudes toward work and self-sufficiency, it seems evident that most families already possess strong work values. Survey responses from welfare recipients prior to being assigned to either MFIP or AFDC show that most wanted to go to school to learn a job skill; the second most preferred activity was to get a full-time job. Only a small proportion said that they preferred to stay home (see Figure 5). When given only the choice between a part-time job and a full-time job, 68% preferred to work full time.¹³

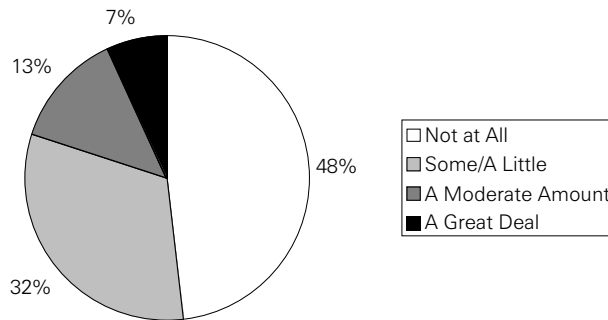
FIGURE 5 WELFARE RECIPIENTS’ ASPIRATIONS



Miller, C., Knox, V., et al. *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program.* September 2000.

While many expressed a desire to work, there seems to have been a substantial degree of ambivalence. Only 19% believed that it was better for their families that they stay on welfare than work at a job. However, only small proportions of the sample had actually conducted any type of job search activities recently (see Figure 6).

FIGURE 6 WELFARE RECIPIENTS' JOB SEARCH ACTIVITIES

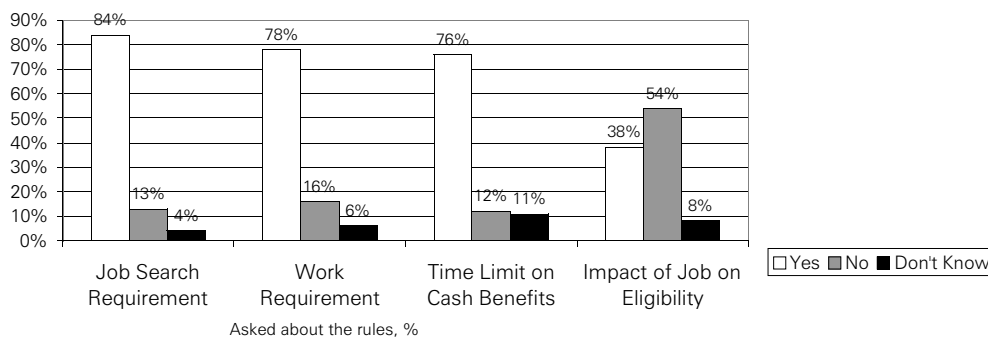


Miller, C., Knox, V., et al. *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program*. September 2000.

Most recipients understood work requirements and time limits, but they often didn't know about benefits.

MFIP has undergone several changes from its original pilot version, but it retains its commitment to promote work and reduce poverty. In order to be successful in these goals it is essential that welfare recipients understand the system. Fortunately, the majority of single-parent long-term recipients correctly knew there were job search and work requirements as well as time limits. However, there was confusion regarding the impact of work on benefits (see Figure 7).

FIGURE 7 KNOWLEDGE OF MFIP RULES



Miller, C., Knox, V., et al. *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program*. September 2000.

MINNESOTA DEMOGRAPHIC CHARACTERISTICS

Minnesota's population of nearly five million is nearly 90% non-Hispanic white and has grown by over 12% in the past decade. The economy has also grown, with per capita income increasing from \$20,011 in 1990 to \$32,101 by 2000. This change of 60.4% is by far the highest among the seven states covered in this review. Minnesota's 1999 poverty rate for female-headed households was 24.8%, second lowest among the states covered in this report. Births to women aged 15-19 were 37.3 per 1,000, lowest among the seven Joyce states.

Population

Population (2000) ^a	4,919,000
Percent Change (1990-2000) ^a	12.4%
Percent Under Age 18 ^a	26.2%
Percent Hispanic ^a	2.9%
Percent Non-Hispanic Black ^a	3.5%
Percent White (non-Hispanic) ^a	89.4%
Births per 1,000 Women 15-44 (1998) ^b	61.8
Births per 1,000 Women 15-19 (1998) ^b	37.3
Percent to Unmarried Women (1997-98 avg.) ^b	25.3%

Economics

Per Capita Income (2000) ^c	\$32,101
Per Capita Income (1990) ^c	\$20,011
Percent Change in PCI (1990-2000)	60.4%
Median Income (1998-1999) ^a	\$48,122
Median Income 4-Person Family (1998-2000) ^a	\$66,677
Percent Below Poverty (1999) ^d	7.6%
Percent Children (< 18) Below Poverty (1999) ^d	8.6%
Percent Below Poverty-Fem. Fam. Head (1999) ^d	24.8%
Unemployment Rate (2000) ^e	3.2%
Unemployment Rate (2001) ^e	3.7%
Employment Rate (2000) ^e	94.8%
Total TANF Recipients August 1996 ^f	169,744
Total TANF Recipients September 2001 ^f	116,288
Percent Change ^f	-31.5%

Families (2000)

Total Households ^a	1,895,000 (100%)
Family Households ^a	1,255,000 (67.6%)
With Own Children under 18 years ^a	626,000 (33.0%)
Married Couple Families ^a	1,018,000 (51.3%)
With Own Children under 18 years ^a	477,000 (24.3%)
Female Householder, no husband present ^a	168,000 (12.3%)
With Own Children under 18 years ^a	111,000 (6.9%)
Nonfamily Households ^a	639,000 (32.4%)
Householder living alone ^a	509,000 (26.8%)
Households with individuals under 18 years ^a	658,000 (36.2%)
Average Family Size ^a	3.09
Low-Income Uninsured Children ^a	4.4%

a-U.S. Bureau of Census.

b-National Center for Health Statistics.

c-U.S. Bureau of Economic Analysis.

d-U.S. Bureau of Labor Statistics and Bureau of the Census Current Population Survey.

e-U.S. Bureau of Labor Statistics.

f-U.S. Department of Health and Human Services, Administration for Children and Families.

STATE TANF POLICIES – MINNESOTA

Who is eligible?

Families: To be eligible for MFIP-S, families must include a child under age 18 or a child age 18 who is a full-time student and will graduate by age 19 (does not include anyone who is a parent). A pregnant woman with no other children is eligible for assistance, beginning in her first month. All two-parent families are eligible for assistance based on the same eligibility criteria as single-parent families.

Income: Applicants are not subject to a gross income test. However, an applicant's net income must fall below the maximum benefit for families with no earned income. If net income is below this limit, the applicant is eligible for assistance. Net income equals monthly gross income less the following deductions:

- 18% of earnings, unless applicant received benefits within prior four months; if so, the deduction is 36% of earnings.
- deduction for out-of-pocket child care expenses: up to \$200 a month for children under age two and \$175 per month for each child age two or over.

Asset Limits: Applicant and recipients must have countable assets below \$2,000. The combined equity value of all vehicles up to \$7,500 is excluded from countable assets.

What happens when they apply?

Application: All persons have a right to file an application for cash assistance. The same application for cash assistance is used throughout the state, and is a joint application for food stamps, Medicaid, child care, emergency assistance, state "general assistance," and state medical assistance. Applications must be acted upon within 30 days and the agency is required to issue a written decision on applications. Minnesota does not impose requirements that must be met before a family can submit an application for cash assistance, and does not impose requirements (other than verification of information concerning eligibility) that a family must meet in order for its cash assistance application to be processed and approved. Applicants and recipients are not required to sign a personal responsibility contract. However, applicants must sign an employability plan.

Diversion: Cash Diversion Programs provide families with an up-front, lump sum payment in lieu of ongoing cash assistance payments. The goal is to help families meet an immediate need and to divert them from formally entering the TANF program. Minnesota operates a formal diversion program, but current cash assistance recipients may not participate in the diversion program. The maximum cash payment is four months' worth of benefits. The size of a diversion payment is calculated on a case-by-case basis up to the maximum. The income and asset eligibility criteria for the diversion program differ from those applied to applicants for ongoing cash assistance as follows: income can be up to 140% of the Federal Poverty Line; asset limit is at county discretion; and a family that receives a diversion payment is ineligible for another diversion payment for 36 months.

A family that receives a diversion payment is ineligible for ongoing cash assistance for up to four months, based on amount of the diversion payment received in relation to the monthly benefit amount, but a diversion payment does not count as using up any months of time-limited assistance. When a family receives a diversion payment, its child support rights are not assigned to the state and families that receive diversion payments can be eligible to receive child care services. They can also receive employment services and education and training services to the extent they are otherwise eligible. Diversionary assistance is available once every 36 months to help families with one-time, short-term emergencies to avoid applying for MFIP-S.

Declined: When an applicant is denied services or a recipient disagrees with a county agency decision, the applicant or recipient may submit a request for a hearing to the county agency or directly to the Department of Human Services, Appeals Office. A state human services referee will conduct a hearing in person at the county office or by telephone. Decisions will be issued by the commissioner within 90 days of the request for a hearing. Under certain conditions, a recipient may continue to receive benefits pending an appeal decision. Reasonable expenses incurred by a recipient because of the appeal are reimbursed upon request.

What do they get if approved?

Cash Benefits: A recipient's benefit equals the difference between countable income (income after specified deductions) and the maximum benefit. If countable income exceeds the maximum benefit, the family is not eligible for assistance. Countable income equals gross monthly income less 36% of earnings. As a result of policy changes enacted in 1999, the earned income deduction is adjusted annually so that eligibility for benefits ends when earnings reach 120% of the federal poverty guideline. In 2000, the deduction equals 37% of earnings. Maximum monthly benefit levels vary for different groups of families:

Family Size	Families with no earned income (transitional standard)	Families with earned income (family wage level)
1	\$351	\$386
2	\$609	\$670
3	\$763	\$839

Food Stamps: The transitional standard reflects a combination of food stamp and cash assistance benefits (families do not receive a separate food stamp benefit). The transitional standard is adjusted annually based on increases in federal food stamp benefits. The family wage level equals 110% of the transitional standard.

Health Insurance: MFIP-S recipients are covered by Medicaid and can receive up to twelve months of transitional Medicaid when cash assistance ends.

Child Care: Transitional child care is available for up to one year after assistance ends, after that period families can get subsidies through the Basic Sliding Fee child care program.

Emergency Assistance: EA programs are operated at state discretion and provide funds to families to prevent such emergencies as disconnection of utilities or eviction. States no longer receive funding specifically for an emergency assistance program but they generally can use their TANF block grant dollars or state funds. Minnesota provides emergency assistance to families that are receiving TANF cash assistance, families that are eligible for but not receiving TANF cash assistance, and families that are not eligible for TANF cash assistance. Assistance includes eviction prevention; prevent utility shutoff or restore service; emergency housing assistance; temporary shelter for homeless families; mortgage and contract for deed arrearages; moving expenses; home repairs; utility costs; and special diets.

How long do they get these benefits?

Time Limits: There is a 60-month lifetime limit on assistance.

What do they have to do in return?

Work Requirements: Minnesota requires parents/caretakers receiving assistance under the program to engage in work upon state determination or once they have received assistance for 24 months (consecutive or not), whichever is earlier. Parents not exempt from work are expected to begin work within six months. Counties have the option of requiring work sooner. The state has opted out of the provision that requires parents/caretakers who have received TANF assistance for two months and are not working to participate in community service employment.

What if they don't follow the rules?

Sanctions: Caregivers who fail without good cause to comply with work requirements within the specified period of time have the cash grant reduced and have bills (rent, utilities) paid directly to the vendors. Each month that a participant fails to comply with a requirement is considered a separate non-compliance. The participant must remain in compliance for six months in order for a subsequent occurrence of non-compliance to be considered a first occurrence. Penalties are:

1. First occurrence of non-compliance: reduce the family's grant by 10% of the Transitional Standard or Shared Household Standard and MFIP food portion, whichever applies for the family's size. Apply this sanction when a participant in a single-parent household or one participant in a two-parent household does not comply.
2. Second occurrence of non-compliance: vendor pay the shelter costs up to the amount of the cash portion of the grant. At county option, it may vendor pay utilities up to the amount of the cash portion of the grant. The residual amount of the cash grant after vendor payment, if any, and the food portion must be reduced by an amount equal to 30% of the Transitional Standard or Shared Household Standard and MFIP food portion, whichever applies for the family's size.

What if they can't follow the rules?

Exemptions: Exclusions from the time limit are provided in certain situations, such as domestic violence. Victims and potential victims of domestic violence will be deferred for up to one year from participation in the usual work activities under the conditions specified in a "safety plan," which is reviewed and may be approved quarterly. Caregivers age 20 or over, minor caregivers, and 18- to 19-year-old caregivers who have a diploma or GED are exempt from the employment requirements if they belong to any of the groups below:

- Caregivers age 60 or older.
- Caregivers suffering from a professionally certified permanent or temporary illness, injury, or disability which is expected to continue for more than 30 days and which prevents them from obtaining or retaining employment.
- Caregivers whose presence in the home is required because of the professionally certified illness or disability of another member of the assistance unit, or a relative or foster child in the household.
- Women who are pregnant, if the pregnancy has resulted in a professionally certified disability that prevents the woman from obtaining or retaining employment.
- Caregivers of a child under the age of one year who personally provide full-time care for the child.

- Single parents, or one parent in a two-parent family, employed at least 35 hours per week. The parent must have worked 35 hours per week over a 30-day period before he or she is exempt. Caregivers who do not work for an hourly wage must earn at least the federal minimum hourly wage rate multiplied by 35 hours per week. Caregivers who are self-employed must work at least 35 hours per week.
- In two-parent families, one parent who is employed 20 or more hours per week, provided the other parent is employed at least 35 hours per week. The parent must have worked 20 hours per week over a 30-day period before he or she is exempt. A second caregiver who is self-employed must work at least 20 hours per week.
- Caregivers experiencing a personal or family crisis that makes them incapable of participating in the program, as determined by the county agency.
- Caregivers with a Domestic Violence Safety Plan. A caregiver who is a victim of domestic violence and who is complying with a safety plan may be deferred from work requirements for three months from the date the safety plan is approved.

Source: State of Minnesota Family Independence Agency and the State Policy Documentation Project, a joint project of the Center for Law and Social Policy and the Center on Budget and Policy Priorities.

MINNESOTA STUDY SUMMARIES

MFIP

Manpower Demonstration Research Corporation

Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program. Miller, Cynthia; Knox, Virginia; Gennetian, Lisa; Dodoo, Martey; Hunter, Jo Anna, and Redcross, Cindy. September 2000.

This report is based on data collected from more than 14,000 recipients of and applicants for public assistance who were randomly assigned to either the Minnesota Family Investment Program (MFIP) or the AFDC program between April 1994 and March 1996. MFIP's effects were estimated by following the two groups over time and comparing their employment, welfare receipt, income, and other family outcomes. Data on sample members' earnings and welfare receipt were obtained from state Unemployment Insurance records and public assistance benefits records. Data on other aspects of family well-being, plus additional information on employment, were obtained from a survey administered to a subset of the full evaluation sample three years after they entered the study.

The study examined the program's effects for four different types of families: single-parent long-term recipients, two-parent recipient families, single-parent recent applicants (a category that includes new applicants and people who had received welfare for less than two years), and two-parent applicant families. Single-parent long-term recipients are heads of families who had received welfare for two years or more in the prior three when they entered the evaluation. Except for those who were already working at least 30 hours a week (and had no children under age one), people assigned to the MFIP group were required to participate in MFIP's employment and training services immediately upon entering the program because they already met the criteria for mandatory participation. Because they were the only group whose mandate applied immediately and whose AFDC counterparts did not have any participation requirements, the effects for this group most fully capture the combined effect of MFIP's incentives and mandates and were the focus of this review.

Ways to Work*

National Results Council

Ways to Work: Off Welfare and Out of Poverty. Final Report to the Joyce Foundation. May 2001.

This report is based on data comparing two welfare-to-work programs to which MFIP-S clients were referred: Pathways, a customized training approach designed to train workers for an identified occupation or occupational area, and Work in Progress (WIP), a more traditional work-first approach emphasizing rapid workforce attachment. Employment and welfare data were collected directly from participants at two points in time: after 120 days and after one year during the period from September 1999 to March 2001. Employment and welfare data were also gathered through Minnesota's MAXIS system, which is the management information system that tracks the eligibility and welfare benefits of all TANF recipients. Qualitative data was gathered through interviews with the programs' providers, business partners, and in-depth interviews with welfare participants from each group. MFIP caseworkers work with recipients to place them into available jobs. If after eight weeks, the client can't get a job, counselors are required to tell clients of training opportunities, including but not limited to Pathways.

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