



**Request for City Council Committee Action
From the Department of Health & Family Support**

Date: April 5, 2002
To: HEALTH & HUMAN SERVICES COMMITTEE
Subject: PRESENTATION ON WELFARE REFORM

Recommendation

Accept presentation on Welfare Reform, and receive and file documents.

Previous Directives

None

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Approved by:

David S. Doth, Commissioner of Health & Family Support

Presenters in Committee: Chip Wells, Director of Employment & Training
Sondra Lieberman, Family Support Specialist II/Welfare Reform

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Background/Supporting Information Attached

Documents for presentation on Welfare Reform:

- Minnesota Family Investment Program in the City of Minneapolis and Hennepin County
- Minnesota History of Welfare Reform
- Minneapolis/Hennepin County MFIP Employment Service Providers

Minnesota Family Investment Program in the City of Minneapolis and Hennepin County

Governance

- I. Joint Powers Agreement
 - a. specifies responsibilities
 - b. provides funding to Minneapolis

- II. Committees
 - a. Welfare Reform Executive Policy Committee
 - b. Welfare Reform Oversight Committee
 - c. Implementation Committee

Operations

- I. Three major providers
 - a. financial workers
 - b. childcare workers
 - c. employment service providers

- II. Employment Service Providers
 - a. decentralized delivery system
 - b. 34 locations
 - c. selected through a competitive process
 - d. measurable outcomes
 - Caseload
 - Percentage of working clients
 - Placements
 - Wage rates
 - Job retention at 3 and 6 months
 - Participation rate
 - Acceptance rate

Minnesota

History of Welfare Reform

AFDC

For more than 60 years Aid to Families with Dependent Children (AFDC) was the federal “safety net” that provided monthly cash payments to low income families and required little in return. Historically, AFDC placed little emphasis on work.

Attempts at welfare reform began in the early 1960s. At times both work requirements (the WIN program required job search by families with no children under six) and work incentives (the 30 and 1/3 income disregard) were a part of AFDC, but neither resulted in significant reductions in welfare caseloads.

STRIDE

In Minnesota “welfare reform” has been an on-going process since 1986 when a governor’s commission recommended changing the state’s welfare system from an “income maintenance” system to a “transitional program for self-sufficiency.” In 1987 legislation established a program of employment-related services for certain categories of AFDC recipients. This program became known as STRIDE. It required one parent in two-parent AFDC families to participate and was voluntary for single parents. It targeted long term single AFDC recipients or those at risk of becoming long-term without intervention. At a national level, the 1988 Family Support Act required states to establish welfare to work programs for AFDC recipients – STRIDE served this purpose.

MFIP Pilot

In 1989 the legislature once again addressed welfare reform and adopted into law the goals of the MFIP Pilot Program (expecting, supporting and rewarding work) and sought a federal waiver to implement field trials. The MFIP field trials began in seven counties (including Hennepin) in 1994. In 1996, Minnesota received authorization to roll MFIP out statewide. Unlike STRIDE that had placed considerable emphasis on education and training, MFIP is a “work first” program that emphasizes quick entry into unsubsidized jobs.

TANF

At the same time Minnesota was piloting MFIP, concerns about large welfare caseloads and long-term welfare dependency prompted the U.S. Congress to make fundamental changes in the welfare system. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was signed into law by President Clinton on August 22, 1996. It ended the AFDC entitlement program and replaced it with Temporary Assistance to Needy Families (TANF). It required recipients to be involved in work activities and put a five year lifetime limit on receiving aid. Furthermore, the discretion of benefit provision was given to the states and each state was given the freedom to set shorter time limits. In addition it allowed a certain percentage of recipients to be exempted from the five-year time limit. However, it was not until the 2001 legislative session that Minnesota defined who would be exempt from those time limits.

These extension policies are the biggest change in MFIP since it's statewide expansion in 1998. However, the number of families who reach the 60-month limit is a small segment of the total number of families served.

Extensions are allowed for recipients who are working 30 hours per week; are mentally ill or mentally retarded; have an IQ below 80; are learning disabled; are "unemployable;" are ill, injured, or incapacitated; are needed in the home to care for a family member who is ill or incapacitated; or have an adult or child in the home who meets certain disability or medical criteria.

The TANF 60-month time clock began on July 1, 1997 and is now in month 58.

Many MFIP recipients are now in their "transitional" period – months 48 through 60 and staff are conducting "exit interviews" with clients who have between two and six months of MFIP remaining. Our goal and our challenge during this time is to identify and extend all families who meet an extension category and who want to be extended, and to help all families who want to work to succeed in work.

- ◆ **Approximately 35,000 families receive MFIP in Minnesota**
 Nearly 40 % (13,600) live in Hennepin County and approximately 75% of those live in Minneapolis.
- ◆ **1,452 families statewide could hit 60 months 6/02 and 598 (41%) are in Hennepin County.**
- ◆ **As of March, 27 families hit 60 months in Hennepin County and two-thirds (18) were extended (1 MI, 1 IQ < 80, 2 special medical, 5 ill/incapacitated, and 9 employed).**

MINNEAPOLIS/HENNEPIN COUNTY MFIP EMPLOYMENT SERVICE PROVIDERS

American Indian OIC
1845 East Franklin Avenue
Minneapolis, MN 55404

**Catholic Charities
Seton Services**
1601 Hennepin Avenue
Minneapolis, MN 55403

**Center for Asians & Pacific
Islanders**
3702 East Lake Street, Suite 200
Minneapolis, MN 55406

Church of St. Stephen
2211 Clinton
Minneapolis MN 55404

CLUES
2700 East Lake Street
Minneapolis, MN 55406

**East Side Neighborhood Services,
Inc.**
1700 NE 2nd Street
Minneapolis, MN 55413

**East Side Neighborhood Services,
Inc.**
@ University Technology Center
MFIP Program
1313 5th Street S.E. Room 223A
Minneapolis, MN 55414

EAC-WINGS North
3200 Penn Avenue North
Minneapolis, MN 55412

EAC-WINGS Central
900 20th Avenue South
Minneapolis, MN 55404

EAC-New Chance/Young Parents
900 20th Avenue South
Minneapolis, MN 55404

EAC-Suburban Pathways
6715 Minnetonka Blvd., Suite 205
St. Louis Park, MN 55426

Hennepin County W.E.R.C.
330 12th Street South - Suite 370
Minneapolis, MN 55404-1010

HIRED North
1200 Plymouth Avenue North
Minneapolis, MN 55411

HIRED at Sabathani
310 East 38th Street, Room 101
Minneapolis, MN 55409

**HIRED - Hennepin North
Workforce Center**
7115 Northland Terrace
Brooklyn Park, MN 55428

HIRED Brooklyn Center
3300 Brooklyn Boulevard & County
Road 10
Brooklyn Center, MN 55429

HIRED Bloomington
1701 East 79th Street, Suite 6
Bloomington, MN 55425

Hmong American Partnership
1121 Glenwood Avenue North
Minneapolis, MN 55405

Jewish Vocational Service
13100 Wayzata Boulevard, Suite
300
Minnetonka, MN 55305

Jewish Vocational Service
430 1st Avenue North, Suite 620
Minneapolis, MN 55401

Lao Family Community
1433 East Franklin, Suite 13B
Minneapolis, MN 55404

Lifetrack Resources
2001 Central Avenue N. E.
Minneapolis, MN 55417

**Loring Nicollet Community
Center**
1925 Nicollet Avenue South
Minneapolis, MN 55403

Lutheran Social Service
2414 Park Avenue
Minneapolis, MN 55404

**MDES-North Minneapolis
Workforce Center**
1200 Plymouth Avenue North
Minneapolis, MN 55411

**MDES-South Minneapolis
Workforce Center**
777 East Lake Street
Minneapolis, MN 55407

**Minnesota WorkForce Center –
Hennepin South**
4220 West Old Shakopee Road,
Suite 100
Bloomington, MN 55437

**MN Workforce Center –
Hennepin North**
7115 Northland Terrace, Suite 100
Brooklyn Park, MN 55428

**Minneapolis Urban League –
“Emerge”**
777 East Lake Street, Suite 203
Minneapolis, MN 55407

**Pillsbury United Communities
Brian Coyle Community Center**
420 15th Avenue South
Minneapolis, MN 55454

**Pillsbury United Communities
Unity House**
2507 Fremont Avenue North
Minneapolis, MN 55411

**Project for Pride In Living
Connections to Work**
810 East Franklin
Minneapolis, MN 55404

RISE, Inc.
2608 Blaisdell Avenue South
Minneapolis, MN 55408

Summit Academy OIC
935 Olson Memorial Highway
Minneapolis, MN 55411