



Historical Perspective: MFIP and TANF Refinancing

In February of 2006, Congress changed the formula for calculating state performance in the welfare to work programs in ways that make it extremely challenging for states to meet the federally determined work participation rates. The State will be required to record 30 hour per week work participation rates for at least 50% of the single parent caseloads- up from 18% as the current target. In addition, two-parent families may be required to hit a 90% participation rate. The goals are high, and the stakes are even higher, as the State faces significant penalties (up to \$24 million) if the targets aren't hit.

MWCA Positions:

- MWCA opposed using the MFIP performance standards as a measure to reduce funding. Instead, Counties should be given their full allocation from the consolidated fund; incentive bonuses could be distributed from the Commissioner's Innovative Projects fund.
- MWCA supported allocation of funding to employment service providers for transportation, tools and clothing expenses for MFIP clients who are participating in countable activities.
- MWCA supported allocation of funding to MFIP employment service providers to increase Community Work Experience and Volunteer Work activities.
- MWCA supported providing funding to local workforce boards to support On-the-Job Training and short-term specific job training combined with soft skills training for MFIP recipients.

What Happened?

To reduce the chances of being penalized, Senator Linda Berglin (Minneapolis) put together a "Work PREP" bill aimed to improve the state's MFIP performance by instituting a number of new policies. At MWCA's urging, this bill included the language regarding 100% allocation of Consolidated Funds to Counties.

At one point in the process, the Senate had stripped all HHS provisions from its version of the bill in an attempt to avoid controversial abortion language from being added to the bill by amendment. Some of these HHS provisions were added back into the bill, in spite of never having passed a vote on the Senate floor, as a result of negotiations between House and Senate conferees that were apparently facilitated by the Governor. (Typically, rules state that provisions can not be amended onto a bill in conference committee unless they had previously passed a floor vote in the House or Senate. However, a deal was struck whereby the Senate could add HHS provisions

back into HF4162 if the House could add provisions into its tax bill, regardless of the fact that such provisions had never passed off the floor of either body.)

Despite much advocacy from MWCA members, efforts to implement a package of policies and supportive funding aimed to assist local areas and their program participants in achieving new MFIP standards were not successful; The provisions in the Work PREP bill were *not* supported in the final supplemental appropriations bill (HF 4162).

2007 Strategy:

MWCA will again advocate for policy changes that will assist local areas in meeting new participation rates.

Senator Berglin will likely again introduce a version of her Work PREP bill; which we are hopeful will continue to include language regarding the 100% allocation to counties.

While the House did not pass any similar language this year, MWCA has met with the chair of the 2007 Healthcare and Human Services Finance Division, Representative Tom Huntley. He has verbally committed that if Senator Berglin introduces the MWCA initiative in the Senate, he will in turn do the same through his committee in the House.