



MFIP FUNDING

CURRENT MFIP FUNDING:

1. MFIP County Consolidated Funds - Funding for County MFIP Administration, Emergency Assistance and Employment Services

- Has been frozen since 2003
- Starting in 2005, allocation was changed as follows:
 - 95% - Initial Allocation to Counties
 - 5% - Held back from Counties, redistributed as follows:
 - 2.5% if County exceeds self support index
 - Only Counties that represent 15% of the MFIP population can exceed this standard
 - 2.5% if County meets self support index
 - 2.5% if County meets 50% participation rate
 - Currently only 5% of MFIP population are from Counties meeting the 50% standard
 - Standard was made more difficult to meet this year by eliminating DWP participants and adding exempt caretakers
 - Because of reduced caseload, the Minnesota participation standard this year is only 18%
 - The new 50% Federal participation standard is expected to get even more difficult to meet in the coming year

2. MFIP Innovation Funds – Given to Commissioner to fund innovative MFIP projects

- 100% distributed at the Commissioner's discretion

3. MFIP Federal Bonus – Awarded to states with outstanding records in moving MFIP families to self-sufficiency

- Minnesota had the highest state score for 3 years in a row
- Minnesota was awarded \$13.5 million in 2005
- None of the bonus has been used on the MFIP program, all funds have been used for general fund purposes

PROPOSED CHANGE:

1. Reinstate 100% MFIP Consolidated Funding to Counties

2. Allow Commissioner to grant performance bonuses out of the MFIP Innovation Funds

- These changes would not amount to an increase in State Funding, it would only require DHS to prioritize how to use the Innovation Funds.