



Comparing Minnesota's Work Support Programs:
A Report Card

Introduction

Living in poverty can have devastating effects on children's development, but their chances for success are greatly improved if their families get out of poverty and maintain a level of financial stability. In fact, increases in income by less than \$400 per month for a family of four living in poverty have had positive impacts on children's cognitive, social, and behavioral developmental outcomes.* Similarly, children benefit if their families avoid falling into poverty. While parents have the primary responsibility for taking care of their financial well-being, public policies can facilitate or hinder their efforts.

Child care assistance, public health care coverage, earned income tax credits, and food support all help families become economically successful. These public programs (also called "work supports") provide a sustainable and effective way for low- to moderate-income families to avoid poverty, and become self-sufficient. First, they prevent families from relying on welfare cash assistance. Second, work supports encourage and reward work while providing benefits to low-wage employees that smaller businesses often find unaffordable. Third, they stabilize family income and help meet families' basic needs for food, child care, and health care. In essence, work supports reduce employee turnover, lower business and public costs, and perhaps most importantly, provide continuity for families essential to children's development and health.

"Work supports reduce employee turnover, lower business and public costs, and ... provide continuity for families essential to children's development and health."



Families are Not Receiving Needed Benefits

Given the proven effects of work supports, the entire Minnesota community would benefit if every eligible family accessed these programs and benefits. However, recent data collected at free tax preparation sites as part of the

Children's Defense Fund's Covering All Families outreach effort suggests that some eligible families are not accessing all available programs even though they most likely meet eligibility requirements.

For example, of 307 low-income, working families screened in the metro area, 51% appeared eligible but were not accessing MinnesotaCare, 50% appeared eligible but were not receiving Energy Assistance, and 34% appeared eligible but were not receiving food support. Of 71 families screened in St. Cloud, 69% appeared eligible but were not enrolled in Energy Assistance, 59% appeared eligible but were not accessing

MinnesotaCare, and 52% appeared eligible but were not receiving food support. Even for the school lunch program, which has relatively simple enrollment process, 29% of screened families in the metro area and 38% in St. Cloud appeared eligible but were not receiving this program.

A Brief Overview of Minnesota's Work Support Programs

This report card covers six family work support programs. They are called work support programs because all of these programs assist low-income families in making ends meet when their job income is not adequate to cover basic needs and may not provide benefits such as health insurance. These six programs (as well as tax credits) are addressed by the Covering All Families web site, an eligibility screening tool developed by CDF Minnesota (www.coveringallfamilies.org). The six programs are Child Care Assistance (Basic Sliding Fee and Transition Year), Food Support, School Meals, Energy

* Dearing, E., McCartney, K., & Taylor, B.A. (2002). Change in family income-to-needs matters more for children with less. *Child Development*, 72 (6).

Assistance, Medical Assistance and MinnesotaCare. More detailed program descriptions and eligibility guidelines are available at the Covering All Families web site.

Child Care Assistance: Minnesota's Child Care Assistance Programs help low-income, working families with children under age 13 (or under age 15 for children with special needs) who do not earn enough to pay for the cost of child care. These programs include Basic Sliding Fee, At-Home Infant Care, Minnesota Family Investment Program (MFIP or cash assistance), and the

Transition Year Child Care program. Families in the BSF program must make less than 175% of the Federal Poverty Guidelines (FPG) when they enter the program, and pay a monthly co-payment based on their income and family size. The programs are administered at the county level, and many counties have a waiting list for the BSF program.

Food Support Program (formerly called "Food Stamps"): The Food Support Program helps individuals access nutritious food. Benefits are issued on an Electronic Benefit Transfer (EBT) card that can be swiped at partic-

ipating retailers to purchase food. The income eligibility is usually 130% of the FPG per household, with asset limitations of \$2,000 per household (\$3,000 in some cases). The program is administered locally at the county level and administered at the federal level by the Department of Agriculture's Food and Nutrition Service.

School Lunch Program: The National School Lunch Program, commonly known as the Free and Reduced Price School Lunch program, is a national program providing free and reduced priced nutritious breakfasts and lunches to students to promote learning readiness as well as helping them to develop healthy eating skills through nutrition education activities at participating public and private schools. Families apply at their child's school. The income eligibility is under 130% of the FPG for free meals and less than 185% of the FPG for reduced-price meals. The program is administered at the state level by the Department of Education.

Energy Assistance: The Minnesota Energy Assistance Program helps families pay their heating bills. The Energy Assistance Program provides direct payment to the energy supplier, and crisis help for disconnected utilities. The size of grant issued to families is based on household size, income, fuel type and energy usage. Renter or homeowner households at or below 50 percent of the state median income qualify through a single application. The program is administered by the Minnesota Department of Commerce through local community action agencies or county human service agencies.

*The Gonzales Family**

Mr. and Mrs. Gonzales moved to Minnesota two years ago from New York with their four children: Marie, age 15; James, age 12; Mike, age 10 and Luis, age 1. Both parents are currently working full-time for a luggage manufacturing company in St. Paul, the three older children attend public school and Luis spends his days at a nearby family-based day care center. Mrs. Gonzales can read Spanish, but neither parent speaks or reads English. Together, Mr. and Mrs. Gonzales earn \$47,160 a year and, as a family of six, their income is at about 185% of the Federal Poverty Guidelines.



This income level means that the Gonzales' are income-eligible for Child Care Assistance, Medical Assistance for Luis (until he turns two) and MinnesotaCare for the family, as well as reduced price school meals for Marie, James and Mike. However, language barriers have made program access more difficult for this family.

School meal information arrived in the mail, and was sent home with the children from school. Fortunately for the Gonzales, the children's school sent this information home in Spanish. Mrs. Gonzales was able to fill out and return an application for each child.

Mrs. Gonzales heard from a friend that child care assistance might be available, but the written information was only in English, with a card in ten languages that said it was important and that they should call a number for help. When Mr. Gonzales had time to call, the language line wasn't open. The family threw away the brochure even though they could have qualified for child care assistance for Luis.

**For illustration purposes only; not a real family.*

Health Care Programs

MinnesotaCare and Medical Assistance (MA) programs provide health care coverage to eligible children and parents. These programs contract with health insurance plans and enrollees select their preferred plan. Income guidelines vary for each program, and separate rules for each program apply. Many children under 275% of the FPG are eligible for one of these programs. Pregnant women are eligible for MA at up to 275% of FPG, and many parents can receive MinnesotaCare if their income is less than 275% of FPG. There are asset limits for some families. MinnesotaCare has two additional restrictions: enrollees must lack insurance for the preceding four months, and there are some restrictions if insurance is available through their employer (unless the employer pays less than 50% of the premium). These programs are administered at the county level.

Report Card Categories

The report card evaluates Minnesota's work support program on five domains that affect people's ability to easily access the programs. As with many school report cards, the programs are rated as "excellent", "satisfactory" or "needs improvement" in each area.

1. Application Availability

This category compares how easy it is to access an application for a particular work support program, including how widely applications are distributed in community locations. Applications for work support programs should be as brief as possible, easy to understand, and widely available for families who might need the program. The act of locating an application itself can form a barrier to program participation. As one individual searching for applications for

*The Lindstrom Family**

Ms. Lindstrom and her two children Rachel and Joseph, ages 10 and 6, live in Minneapolis. Ms. Lindstrom used to work full-time at a customer service call center in St. Louis Park, but her hours were recently cut back to 20 per week. To earn more money, she also works 10 hours per week as a cashier at a local supermarket. Between her two jobs, Ms. Lindstrom earns \$14,391 per year. This places the Lindstrom family a little below 115% of the Federal Poverty Guidelines. Therefore, the Lindstroms are income-eligible for Food Support, free school meals, Child Care Assistance, and Energy Assistance. The children are also eligible for Medical Assistance. However, asset limitations and limited application availability have created barriers for this family to access work support programs.



The Lindstroms cannot receive Food Support because Ms. Lindstrom's parents had opened a savings account for the children when Joseph was born which is now worth about \$6,500, and this exceeds the asset limitation of the Food Support program. Fortunately, Rachel and Joseph's schools sent information home about the School Meal Program, so now both children receive free breakfasts and lunches at school. However, although Ms. Lindstrom knows there is a program that will help pay a family's heating costs, she doesn't know where she can get an application. Additionally, Ms. Lindstrom brings Joseph to Urgent Care or the Emergency Room when he suffers from frequent ear infections. No one has told her that she and her children might be eligible for free or low-cost health insurance.

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assistance commented, "It is a full time job to apply for and get assistance."

Availability ranges from "excellent" for school meal applications that are distributed directly to students and often mailed home as well, to "satisfactory" for other work support program applications. Some programs' applications are available on-line and in county offices, but are available infrequently in places where families are likely to be (workplaces, health clinics, food shelves, etc.). A needed improvement for on-line forms is to create "fillable" forms that can actually be completed electronically and printed out or submitted directly on-line.

2. Application Length and Processing Time

This category covers the next stage of accessing work support programs. Program applications should be relatively easy to complete and the processing time should not be excessive, since families often need the benefits immediately. Sometimes the application process can discourage families from pursuing help. One individual stated, "They ask so many questions. I live with my parents and they weren't going to help me out with food stamps because I may be able to get food from my parents, even though they don't have money for it."

This section evaluates how easy the application is to complete, whether it includes clear instructions, the length of the form, and how long it takes to process a completed application before a family begins receiving benefits.

The application process and length of processing time vary greatly between programs, although none were judged to be excellent. Many of the applications were quite long (12 to 22 pages) and the food stamp program requires an interview as well. While some programs offer benefits relatively quickly after application (for example, School Meals) the wait to receive Minnesota Care averages two months, and applicants for Basic Sliding Fee child care assistance in many counties are put on an indefinite



waiting list because of a shortage of funds for the program.

3. Asset Limits

Two of the five work support programs require participants to meet non-cash asset limits. This means that assets such as decent automobiles, savings accounts, or farm equipment can exclude some families whose low monthly cash incomes would qualify them for programs. For example, one program participant commented, “You have to have nothing in order to get help. If you have anything going for you, they will not offer help. So, basically, you have to lie if you want to keep your car or anything else that you own.” Another asked, “Why can’t you get a little help in a transition? Why do you have to give up everything you own or prove that you are totally down and out in order to get any help?” Only Food Support, MinnesotaCare and Medical Assistance have asset tests for families.

4. Verification Requirements

In order to prevent fraud and to accurately administer work support programs, all programs require families to periodically reapply and most programs also conduct some kind of verification of eligibility. While it is important to

*The Vang Family**

Mr. and Mrs. Vang live in St. Paul with their two children, Kara and Chris, ages 3 and 1, respectively. Mr. Vang works full time for an appliance retail store and Mrs. Vang stays home with the children. Their family of four earns \$33,689 per year, so they are a little below 175% of the FPG. This means they are income eligible for MinnesotaCare, Child care Assistance and Energy Assistance. However, problems with the program restrictions for MinnesotaCare have resulted in financial hardship for this family.



Chris, the infant, is still eligible for Medical Assistance, but Kara lost her coverage when she turned two. Mr. Vang’s employer offers a health insurance plan that pays for more than 50% of the premium for employees and their dependents, but the Vang’s share of the premium would be \$228.30 each month, which is nearly 10% of what Mr. Vang earns each month – and much more than they can afford to spend. Even though the employer-offered insurance is too expensive for the Vang’s, their family is not eligible for MinnesotaCare because the employer-offered insurance covers more than 50% of the premium.

Kara recently broke her arm and the Vangs had to bring her to the Emergency Room. They now owe \$1,133.70 for the visit. It will take them years to pay off this bill, which is almost half of their average monthly income.

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maintain program integrity and prevent fraud, excessive verification requirements impose an additional burden on families and serve as a barrier to program participation. Some programs also include requirements that families engage in certain activities, like qualifying job searches, in order to remain enrolled. This can be a difficult requirement for some families to meet. For example, one individual remarked, “The activities that they have you do are so mundane and asinine. They treat you like you are too ignorant to apply for and maintain employment.”

There is wide variation in program verification requirements, ranging from School Meals (where only a small random sample of recipients must verify their income eligibility and the application is good for the entire school year) and Energy Assistance, where the application is valid for one year, to Food Support, which requires monthly reporting as well as reapplication every year.

5. Language Assistance

Many participants in work support programs speak and read better in a language other than English. To the best extent possible, program forms, applications and in-person assistance needs to be offered in the preferred language of the participants. This section grades how well each program meets the needs of non-English speaking participants. In general, language assistance is haphazard and dependent on individual county practices. Most programs translate their application forms into multiple languages, but often, renewal notices and other program letters are sent only in English. Most counties use a telephone language line to communicate with clients who do not speak English.

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Children’s Defense Fund’s Mission Statement

The mission of the Children's Defense Fund is to **Leave No Child Behind** and to ensure every child a Healthy Start, a Head Start, a Fair Start, a Safe Start, and a Moral Start in life and successful passage to adulthood with the help of caring families and communities.

CDF provides a strong, effective voice for

all the children of America who cannot vote, lobby, or speak for themselves. We pay particular attention to the needs of poor and minority children and those with disabilities. CDF educates the nation about the needs of children and encourages preventive investment before they get sick or into trouble, drop out of school, or suffer family breakdown.

CDF began in 1973 and is a private, non-profit organization supported by foundations, corporation grants and individual donations and does not accept government funds. In 1985, CDF established the St. Paul office to direct its efforts in Minnesota.

Report Card

Minnesota's Work Support Programs

Report Card Grading Scale:

E = Excellent

S = Satisfactory

N = Needs Work

Category	Food Support	School Meals	MN Care/ Medical Assistance	Energy Assistance	Childcare Assistance
Application Availability	S	E	S	S	S
Comments	Available in county offices and on-line, limited community sites.	Mailed to family's home and/or sent home with students. And available year round at each school.	Available in county offices and on-line; limited community sites.	Available at local Community Action Program offices or county; limited community sites.	Available in county offices and on-line, and through child care resource and referral agencies.
Application Length and Processing Time	N	S	N	S	S
Comments	22 pages (combined application with cash assistance and medical); interview required.	One page; no interview. Income section can be confusing.	7 pages; no interview; can take 2-3 months to process application and depending on program and county, either county or state could be the processing office.	6 pages; no interview	12 pages; no interview.
Asset Limits	N	E	S	E	E
Comments	\$2,000 asset limit for most households; \$3,000 for some.	None.	\$10,000 for family of one; \$20,000 for family of two or more, rarely eliminates a family.	None.	None.
Verification Requirements	N	E	N	E	N
Comments	Monthly report (if earned income), otherwise, yearly. Application good for one year.	None for most (3% random sample is verified). Application good for one school year + 30 days.	Proof of income and new application every six months, or when status changes.	New application every year.	New application every six months or when status changes.
Language Assistance	S	S	N	S	S
Comments	Combined form in 10 languages; language line or counties arrange interpreters.	Schools provide translated forms to families; 7 languages available from state.	Translated applications and phone help for 10 languages; counties arrange interpreters. All notices currently are in English only.	Forms available in six languages; use language line for others.	Translated applications and phone help for 10 languages; language line or counties arrange interpreters.



Children's Defense Fund

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