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1 Note that the Federal Reserve Bank of Atlanta does not provide grants or funding to the general public or to partner organizations. They do not endorse or make any representations as to the suitability of partner organizations or their programs, and do not advise on distribution of funds by partners.
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Public assistance programs are designed to be a bridge to economic stability; as individuals take home more earnings and become more financially stable, their benefits will decrease. Yet in some cases, by accepting a raise or increasing the number of working hours and, thus, wages, an individual may unintentionally reduce their net income (i.e., their combined wage plus benefits). This occurrence is sometimes referred to as a “benefits cliff” and can act as a barrier to career advancement for low-income individuals. Also, given the number of programs that exist and their often-complex eligibility rules, it can be very difficult for benefits recipients to understand how changes in their income might affect their eligibility for various programs.

Recently, the Economic Services and Supports Division of St. Louis County, Minnesota—the local agency that administers many of the state and federal public assistance programs—asked the Bureau of Business and Economic Research (BBER) at the University of Minnesota Duluth’s Labovitz School of Business and Economics to provide a dynamic tool that could be used by career counselors when advising their clients about the potential financial impacts of a career change, using clients’ personalized information. To accomplish this, the BBER collected feedback from counselors, conducted a literature review and online search to identify existing tools, and analyzed data from various sources to determine the accuracy and usefulness of potential tools. The project will also include training by the BBER on how to use the tool.

The BBER spoke to counselors in focus groups. The counselors noted that “higher minimum wages make it easier for people to surpass income thresholds—especially with small families,” thereby making those individuals more likely to lose public assistance benefits. Counselors also noted that each program has its own requirements and paperwork and that the program requirements are difficult to understand, even for them, which made it difficult to advise clients on how to make educated career choices.

When asked what type of information, tools, or resources would be helpful in advising clients about public assistance programs and career advancement, many counselors said they most wanted to have a “simple calculator to calculate benefits for different variable inputs.” Examples of features they would like included the ability to calculate benefits for a given wage or a simple cost of living calculator to assist clients with budgeting. Several counselors mentioned that a handout or infographic depicting the process of moving from public assistance to a career could make conversations easier.

The research team evaluated eight potential tools based on geographic availability, accuracy of data, and usability/design. Of the tools evaluated, the Federal Reserve Bank of Atlanta’s (hereafter referred to as the Atlanta Fed) CLIFF portal—developed using data from its Policy Rules Database (PRD)—was the most accurate for the largest number of St. Louis County assistance programs. Of the tools shown to the members of our working group—comprised of representatives from the county’s employment service providers—the CLIFF portal was also the most visually appealing and easiest to use. However, when comparing the data provided by the CLIFF portal with state and local policies, the working group identified inconsistencies with the Minnesota Family Investment Program (MFIP)—the state’s welfare program for low-income families with children—and the Supplemental Nutrition Assistance Program (SNAP).

Therefore, the BBER contacted the Atlanta Fed to inquire about the possibility of incorporating Minnesota’s rather unique MFIP program. Since first connecting in January 2023, our collaboration with the Atlanta Fed has resulted in refinements to the user interface and the inclusion of policy rules for the MFIP program.
Navigating the Benefits Bridge: Resources for Employment Service Providers and Clients in Minnesota

Background

In Minnesota, several public assistance programs provide support to low-income households, the most common being the Supplemental Nutritional Assistance Program (SNAP). According to the Center on Budget and Policy Priorities (CBPP), in 2022, the program provided food assistance to 435,900 Minnesota residents, or 8% of the state’s population. Another 4% of Minnesota households received some type of cash assistance through the Minnesota Family Investment Program (MFIP), the state’s welfare program for low-income families with children (U.S. Census Bureau 2023). Additional supports for working families include childcare assistance, child support services, health care coverage, housing benefits, among others (Minnesota Department of Human Services, 2023).

These programs are designed to be a bridge to economic sustainability for individuals and families; as individuals take home more earnings and become more financially stable, their benefits will decrease. Yet in some cases, by accepting a raise or increasing the number of working hours and, thus, wages, an individual may unintentionally reduce their net income (i.e., their combined wage plus benefits). This can occur if an increase in wages causes the person to become ineligible for certain public assistance programs or when benefits payments decline at a faster rate than the wage increase. These individuals are then again in a financial crisis. This occurrence is sometimes referred to as a “benefits cliff” and can act as a barrier to career advancement for low-income individuals.

Given the number of programs that exist and their often-complex eligibility rules, it can also be difficult for benefits recipients to understand how changes in their income might affect their eligibility for various programs. In their 2020 paper, Ruder and colleagues found that program participants “struggle to manage the impact of benefits loss because of a lack of clarity on program rules and difficulty finding jobs that pay enough to outweigh the loss of benefits.”

Through its Public Assistance department, St. Louis County Economic Services and Supports administers many of the state and federal public assistance programs. Three of the programs administered by the county—MFIP, the Diversionary Work Program (DWP), and Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T)—provide free employment training and support for clients receiving benefits along with income and food assistance. The county partners with seven employment service providers for those programs. They are:

- Arrowhead Economic Opportunity Agency (AEOA)
- Community Action Duluth (CAD)
- Duluth Workforce Development (DWD)
- Human Development Center Employment Connection (HDC)
- Northeast Minnesota Office of Job Training (JET)

2 In Minnesota, the term “employment service providers” refers to agencies that work with eligible county residents to build pathways to sustainable careers and economic self-sufficiency. Eligible agencies must apply and be approved by the Minnesota Department of Human Services (DHS) to be designated as an employment service provider. For more information on this and other terms used in the report, see Appendix A, Definitions.
The St. Louis County Economic Services and Supports Division asked the Bureau of Business and Economic Research (BBER) at the University of Minnesota Duluth’s Labovitz School of Business and Economics to provide a dynamic tool that could be used by career counselors when advising their clients about the potential financial impacts of a career change, using the clients’ personalized information. To accomplish this, the BBER collected feedback from counselors, conducted a literature review and online search to identify existing tools, and analyzed data from various sources to determine the accuracy and usefulness of potential tools. The project also will include training by the BBER on how to use the tool.

This report provides feedback from local counselors (Focus Groups), a summary of the tools currently available to counselors and benefits recipients—as well as the limitations of each (Existing Tools), and an overview of contributions our team made to improving the Federal Reserve Bank of Atlanta’s Policy Rules Database (the preferred tool).

Throughout the project, the BBER relied on a working group for assistance in developing the focus group questions, sharing feedback on existing tools, and confirming the accuracy of the data provided by each of the tools we reviewed. This working group included representatives from the local employment service providers. The members of the working group can be found in Appendix B.

### Focus Groups

In November 2022, the BBER research team scheduled four focus group sessions with counselors from St. Louis County’s local employment service providers to ask about their experience working with clients, their awareness of and experience with the benefits cliff, and their recommendations for a potential tool they could use when working with clients. In total, 15 counselors participated in the focus groups, representing four of the seven agencies.

Counselors were asked to indicate whether they were familiar with the term “benefits cliff” and what the term meant to them in practice. While roughly half of the counselors reported being familiar with the term, all of them were familiar with the phenomenon itself. A common explanation given by the counselors of the benefits cliff was that it occurs “when the client makes more income, and their benefits start to drop off.”

Most of the counselors reported having conversations with their clients about this topic but noted its complexity. According to the counselors, clients rarely feel that working more is beneficial to them due to the increased expenses associated with full-time employment (e.g., clothing, childcare, and transportation) combined with a decrease in public assistance. A common sentiment among the counselors was that clients avoid higher paying jobs so they can keep their benefits. Many saw a relationship between generational poverty (e.g., individuals who grew up on public assistance) and greater anxiety about losing the safety net provided by benefits. Most counselors reported trying to frame the pathway from public assistance to work as a good thing but noted the challenge in this reasoning when working more hours does not positively affect a client. Finally, counselors reported that clients experience stress and frustration from a lack of information about when the cliff might occur.

Counselors were asked whether conversations with their clients have changed in the past few years—given changes related to COVID, remote work, inflation, and tight job markets—and many themes emerged. After more than two years of virtual meetings and remote work, clients want to work from home and meet with

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3 Appendix C provides a list of the questions used for the focus groups.
their counselors over Zoom, even though counselors generally find in-person meetings to be more productive. Several also noted that the emergency SNAP benefits granted during COVID were set to expire in the next few months and that many clients were nervous about these privileges ending. Several participants noted that they try to help clients plan for things like inflation, but budgeting can be difficult when clients’ incomes might fluctuate from month to month.

Counselors were also asked whether certain types of clients tend to be more impacted by the benefits cliff. Single parents, seasonal workers, and low-wage earners were thought to be most susceptible to the phenomenon. One counselor noted that “higher minimum wages make it easier for people to surpass income thresholds—especially with small families,” thereby making those individuals more likely to lose public assistance benefits. Several counselors reported that clients experiencing generational poverty “want a safety net” because that is what they are used to having.

When asked about whether any specific public assistance programs were more challenging for clients, counselors noted that each program has its own requirements and paperwork, all of which can be challenging. However, some programs are more cumbersome than others. Programs that require monthly paperwork, meetings with counselors, work requirements, and/or childcare paperwork are all burdensome on the client. Several counselors noted that the program requirements are difficult to understand, even for them, which makes it difficult to advise clients on how to make educated career choices.

Lastly, counselors were asked what type of information, tools, or resources would be helpful in advising clients about public assistance programs and career advancement. To make their jobs easier and more efficient, many said they most wanted a “simple calculator to calculate benefits for different variable inputs.” Examples included the ability to calculate benefits for a given wage or assist clients with budgeting via a simple cost of living calculator. Several counselors mentioned that a handout or infographic depicting the process of moving from public assistance to a career could make conversations easier with clients as the current materials are too complex for the average person to understand.4

The findings from our focus groups mirrored research done by others on this subject. For example, in their 2020 report, Federal Reserve Bank of Atlanta researchers Ruder, Siwicki, and colleagues conducted three focus groups with counselors at local employment service providers. According to their study’s findings, “counselors and clients may struggle to manage the impact of benefits loss because of a lack of clarity on program rules and difficulty finding jobs that pay enough to outweigh the loss of benefits.” The authors suggested that clients and counselors needed “greater clarity on benefits eligibility rules” and “labor market information that include both short- and long-term gains.”

Similarly, Willner and Casau (2021) examined how Connecticut’s legislative changes to the state minimum wage would impact those receiving public benefits. The study notes that one of the state’s recommendations for reducing the adverse effects of the benefits cliff included “developing and implementing a Benefits Cliff Personal Financial Calculator to help state caseworkers, counselors, analysts, and workers better understand and mitigate the financial impacts of benefits cliffs.” And a study by Rutstein, Duffie, and colleagues (2020) recommended creating “a Wisconsin-specific benefit calculator for individuals, service providers, and caseworkers.”

4 To see the infographic developed as part of this study, see Appendix D.
Existing Tools

To identify tools and/or resources that could be useful for the local career counselors, our research team conducted a review of existing literature looking for best practices from other parts of the country, examples of tools that could be used in St. Louis County, or examples that might serve as a model for the development of a new tool.

Through our review, we found that most research related to the benefits cliff—or public assistance eligibility more broadly—demonstrates eligibility for a specific geography and family scenario, typically in a static graphical or tabular format. For example, a 2016 paper by the University of Cincinnati’s Economics Center highlighted net earnings for a variety of household scenarios. The research compared the family’s gross income with self-sufficiency levels for five counties in Ohio. The 2016 paper was the inspiration for the BBER’s original data visualizations on St. Louis and Hennepin Counties (Haynes, et al., 2021). Similarly, a 2017 paper by Albelda and Carr visually demonstrated net resources for a family of three receiving the public supports most commonly available in Massachusetts, including two tax credits, health insurance assistance, and food assistance. Other studies, such as that by Casau and Hyde (2018), have demonstrated the benefits cliff in similar formats.

While static reports like these can be useful in demonstrating the existence of the benefits cliff and the need for policy improvements, the counselors we spoke to felt that most of these types of reports were too complex for a non-technical audience. In addition, regular changes to public assistance eligibility rules, such as cost of living adjustments, can make older, static reports inaccurate. More importantly, static reports do not provide what the counselors said would be most valuable to them and their clients: a dynamic tool that allows for a variety of inputs and scenarios.

Yet the literature review was very helpful in identifying existing benefits cliff tools, which we then evaluated for usability and accuracy. In this section, each tool we identified is described. For each tool, we first confirmed that it included data for Minnesota (and St. Louis County specifically). Of those, we tested each for accuracy using data provided by St. Louis County Economic Services and Supports staff. Finally, we shared the three most relevant tools with our working group to gather their feedback on the tools’ usability and design.

Benefits Cliff Simulator

A study by Richardson and Blizard (2022) expands on the concept of the benefits cliff by identifying what they call a “disincentive desert”—long periods of work effort with 90-100% effective marginal tax rates. In that study, the authors used data from the Benefits Cliff Simulator, developed by the Center for the Study of Economic Mobility at Winston-Salem State University in conjunction with the nonprofit research organization Forsyth Futures. The calculator provides users with a simple table comparing two monthly wage scenarios but is only for Forsyth County, North Carolina.

Benefit Screener

The Benefit Kitchen is a data analytics organization whose mission is to inform individuals on their benefit eligibility. The organization has a tool called the Benefit Screener that provides “to-the-dollar screening for 18 federal, state, and local benefits in eight states.” It allows a user to enter their family and income situation

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5 At the time of this report (August 2023), a tool was still in development by Rick Roy, manager of the Workforce and Veteran Services Division of Washington County, Minnesota. For more information on the Washington County tool, contact at Rick.Roy@co.washington.mn.us

6 While the research team attempted to identify many tools, this is not a comprehensive list.
and informs them of which programs they are eligible for and their estimated benefit amount. Unfortunately, Minnesota is not currently one of the states the Benefit Kitchen has included in the tool.

**CLIFF (Career Ladder Identifier and Financial Forecaster)**

The mission of the Federal Reserve Bank of Atlanta’s (hereafter called the Atlanta Fed) “Advancing Careers Initiative” is to conduct research on benefits cliffs, develop information to help stakeholders understand the issues, and partner to develop solutions. Since 2017, the Atlanta Fed’s team has written three working papers, three discussion papers, and 11 articles on the topic of benefits cliffs, the social safety net, and career advancement.

One of the Atlanta Fed’s discussion papers, written by Altig and colleagues (2020), investigated the financial disincentives to career advancement caused by benefits cliffs, using a health care services career pathway as a case study. In that paper, the authors stated that low-income individuals, career counselors, and policymakers need “dynamic tools that capture both short-run roadblocks and long-run gains to career advancement.” The authors also noted that, at that time, the Atlanta Fed was in the process of developing an interactive tool, “designed to educate individuals on the financial returns to education and career advancement.” The CLIFF portal (Career Ladder Identifier and Financial Forecaster) has since been completed and is available online.

The CLIFF portal contains three separate tools: **Snapshot**, **Dashboard**, and **Planner**. **Snapshot** is for clients interested in “understanding the potential short-term financial impact of a new job or income change.” **Dashboard** is for clients who want long-term planning and includes information on potential financial barriers to career advancement. **Planner** is for clients who want detailed career planning and includes a customized budget to help navigate potential financial barriers to career advancement. All three tools are available for every county in the U.S.

**Figure 1. CLIFF Portal**

![CLIFF Portal](source)

*SOURCE: FEDERAL RESERVE BANK OF ATLANTA*

The three CLIFF tools were developed using data from the Atlanta Fed’s Policy Rules Database (PRD). Of the tools reviewed, the data provided by the Policy Rules Database was the most accurate for the largest number of public assistance programs. The tool was shared with the counselors in our working group, who were impressed with it. They found it to be visually appealing and easy to use.

However, the working group identified some inconsistencies with the data provided by the PRD. When the Atlanta Fed’s team launched its CLIFF portal in spring 2023, it added TANF as a program to its PRD and to the portal. Yet, after the TANF program was added, our working group found that the PRD results for St. Louis County did not align with eligibility rules for the Minnesota Family Investment Program (MFIP), the state-
specific program, which relies on federal funding from TANF but has its own unique policy rules. We also found that the PRD’s results for the Supplemental Nutrition Assistance Program didn’t align with the MFIP policy rules.

Therefore, we contacted the Atlanta Fed to inquire about updating its database to incorporate MFIP’s policy rules. After an initial email and meeting, the Atlanta Fed agreed to work with our research team to incorporate custom MFIP calculations into the PRD (and the CLIFF portal, still in development at the time). More details on our ongoing partnership with the Atlanta Fed and our team’s contributions to the CLIFF tool can be found in the following section, “Atlanta Fed Partnership.”

**Economic Stability Indicator**

The [Minnesota Economic Stability Indicator](https://www.childrensddefense.org/en/policy_and_research/economic_stability_indicator) was created by the Children’s Defense Fund of Minnesota with the goal of “demonstrating the gap that exists between low wages, a basic needs budget, and the effect of public programs and tax credits in filling that gap” (Economic Stability Indicator, 2023). It requires the user to answer a series of questions about their family situation, income, and expenses. Once that information has been provided, the tool displays a monthly family budget that includes the categories of food, health insurance, housing, childcare, and transportation.

Figure 2. Economic Stability Indicator Tool

![Economic Stability Indicator Tool](SOURCE: ECONOMIC STABILITY INDICATOR)
Several researchers (Altig, et al., 2020; Rutstein, et al., 2020) have identified the Economic Stability Indicator tool as a resource for modeling the trade-off between income and public benefits received for specific household types. The BBER had used the tool for our own visual depictions (Haynes, et al., 2021) of public assistance eligibility for a single parent with two children in St. Louis and Hennepin Counties in Minnesota for a previous study.

A benefit of the Economic Stability Indicator tool is that it shows all of the state-specific programs that a family might be eligible for, such as the Minnesota Family Investment Program (MFIP). However, there are some limitations of the tool that make it less than ideal for the purpose of this project. First, the tool relies on cost-of-living values, which was confusing to the members of our working group. When shown the tool, most counselors found it difficult to interpret the results. The data in the tool was also outdated. Our team met with a staff member from the Children’s Defense Fund in 2021 and learned that the tool had not been updated in several years, meaning that the values provided do not accurately reflect the current situation for most households. In particular, the tools results for health care eligibility and childcare assistance were quite inaccurate.

**Family Resource Simulator**

The National Center for Children in Poverty’s (NCCP) Family Resource Simulator (FRS) is one of the benefits cliffs calculators that was cited most frequently in the literature. The FRS calculates a family’s net resources at various income levels. Several studies (Albelda and Carr, 2017; Thomas, 2013; Hawley and Maurer, n.d.) have used the tool to show the effects of the benefits cliff on families in specific states. And others (Roll and East, 2014; Altig, et al., 2020; Rutstein, Duffie, et al., 2020) have noted that it is one of just a handful of existing tools available. However, while the FRS tool has been designed for 25 states and the District of Columbia, the tool does not include data for Minnesota.

**LEAP Fund**

LEAP Fund is a New York-based nonprofit focused on creating tools to “find, bridge, and eliminate benefits cliffs, creating a path for public benefits recipients towards self-sufficiency and financial independence” (LEAP Fund, 2023).
According to its website, LEAP Fund has developed resources and guides for coaches (i.e., counselors) and an intuitive benefits cliff calculator to help show workers whether they will hit a benefits cliff or are eligible for unanticipated public benefits. The organization has also developed a Benefits Cliff Coaching Program that provides professional development and training for coaches.

The LEAP Fund began with a pilot program serving 10 coaching organizations in 2020 and has since expanded to serve 40 organizations across the country. However, its website does not clearly state which states are served by its program or included in the tool.

LEAP Fund’s website includes an image of its benefits cliff calculator (see Figure 3), but the calculator is not publicly available.

**SNAP Screener**

SNAP Screener specializes in determining eligibility and estimating benefits specifically for SNAP. The tool provides information for all 50 states. Required answers to questions include household size, citizenship status, and monthly household income. Once completed, the results indicate whether the individual would be eligible for SNAP benefits, and if so, the amount they may receive monthly.
One member of our working group mentioned the tool as a possible model for a benefits calculator, as it is simple, easy to use, and provides results in a clear and understandable way. Using information from St. Louis County Economic Services and Supports staff, our research team also confirmed that SNAP Screener results are highly accurate for estimating benefits. However, the counselors indicated that they would prefer a tool that allowed for a side-by-side comparison of household financial scenarios rather than requiring the user to go back and input data a second time to see how their benefits eligibility might change for each scenario. And, of course, SNAP Screener only provides information for the SNAP program and not for any other programs.

**Urban Institute Tools and Datasets**

The Urban Institute is a nonprofit research organization with the mission to “help advance upward mobility and equity. (Urban Institute, 2023)“ The organization has an extensive body of research on welfare and social safety net programs.

Over the years, the Urban Institute has also developed several tools and datasets to demonstrate how public assistance programs are influenced by household income changes. For example, the organization hosts a Welfare Rules Database that includes a detailed catalog of Temporary Assistance for Needy Families (TANF) eligibility rules for various household types. The database has been used by researchers (Altig, et al., 2020; Willner, Casau, and Ruth, 2021) to interpret TANF policy rules for a specific state or to calculate TANF cash benefit amounts. The organization also maintains the CCDF Policies Database, which it describe as a “single source of information on the detailed rules for States’ and Territories’ childcare subsidy programs under the Childcare and Development Fund (CCDF).” These databases, while incredibly valuable for researchers and academics, are quite complex and do not meet the needs of the counselors in our focus groups.

In 2016, the Urban Institute developed a tool called the Net Income Change Calculator. The tool “calculates a family's income at different earnings levels considering the effects of payroll taxes, income taxes, tax credits, childcare expenses, and cash and in-kind benefits” and was designed for all 50 states and the District of Columbia. More recently, the Urban Institute also created the “Analysis of Transfers, Taxes, and Income
Security (ATTIS) model, which it refers to as a “microsimulation tool for state-specific estimates. (Urban Institute, 2023)” A recent study by the Institute (Anderson, et al., 2022) used the ATTIS model to demonstrate how benefits and taxes respond when income changes. The report contained data from Colorado, Minnesota, and New York.

Despite the Urban Institute’s extensive research and available resources, the tools it has developed do not appear to be suitable for St. Louis County’s purposes. The Net Income Change Calculator contains data for Minnesota but is based on 2016 laws (Altig, et al., 2020) and has not been updated. And while the Institute’s ATTIS model is quite comprehensive, it uses household-level data from the U.S. Census Bureau’s American Community Survey (ACS), so is not publicly available. According to the Urban Institute’s website, “the ACS provides annual information on the characteristics and economic circumstances of U.S. households,” which allows the institute’s researchers to “provide national and state-level estimates, as well as estimates for some large cities.”
<table>
<thead>
<tr>
<th>Tool Name</th>
<th>Geography Served</th>
<th>Accuracy</th>
<th>Feedback from Counselors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits Cliff Simulator</td>
<td>Forsyth County, North Carolina</td>
<td>Did not evaluate</td>
<td>Did not evaluate</td>
</tr>
<tr>
<td>Benefit Kitchen</td>
<td>New York, California, New Jersey, Texas, limited service in Virginia, and demonstration ZIP codes in many states</td>
<td>Did not evaluate</td>
<td>Did not evaluate</td>
</tr>
<tr>
<td>Career Ladder Identifier and Financial Forecaster (CLIFF)</td>
<td>All 50 states</td>
<td>Data provided was the most accurate for the largest number of public assistance programs, with a few exceptions.</td>
<td>Counselors appreciated having the ability to calculate benefits for a given wage and were also happy with the tool's design and usability.</td>
</tr>
<tr>
<td>Economic Stability Indicator</td>
<td>Minnesota</td>
<td>The data in the tool was outdated and results for health care eligibility and childcare assistance were inaccurate.</td>
<td>The tool's reliance on cost-of-living values was confusing to the counselors, and most found it difficult to interpret the tool's results.</td>
</tr>
<tr>
<td>LEAP Fund</td>
<td>Unknown</td>
<td>Did not evaluate</td>
<td>Did not evaluate</td>
</tr>
<tr>
<td>NCCP Family Resource Simulator</td>
<td>25 states and the District of Columbia</td>
<td>Did not evaluate</td>
<td>Did not evaluate</td>
</tr>
<tr>
<td>SNAP Screener</td>
<td>All 50 states and the District of Columbia</td>
<td>Results are highly accurate for estimating SNAP benefits.</td>
<td>Counselors found the tool simple and easy to use but indicated that they would prefer a tool that allowed for a side-by-side comparison.</td>
</tr>
<tr>
<td>Urban Institute Tools</td>
<td>All 50 states and the District of Columbia</td>
<td>The Net Income Change Calculator contains data for Minnesota but is based on 2016 laws. The ATTIS model uses household-level data from the U.S. Census Bureau's American Community Survey and is not publicly available.</td>
<td>Did not evaluate</td>
</tr>
</tbody>
</table>

*Source: BBER*
Atlanta Fed Partnership

As noted in the previous section, for the past several years the Federal Reserve Bank of Atlanta has been developing an interactive tool that is designed to educate low-income individuals, career counselors, and policymakers on the short-run roadblocks (e.g., benefits cliffs) and long-run gains to career advancement. The most recent iteration of these efforts—the CLIFF portal (Career Ladder Identifier and Financial Forecaster)—was completed in spring 2023 and is now available online.

The CLIFF portal contains three separate tools: Snapshot, Dashboard, and Planner. Snapshot provides short-term information about the financial impacts of a new job or income change. Dashboard provides the user with the financial returns of different careers. And Planner gives budgeting tools to prepare for a career move. The three CLIFF tools were developed using data from the Atlanta Fed’s Policy Rules Database (PRD), which contains data for every county in the U.S.

Upon first discovering the database (in September 2022),7 our team identified it as a potentially ideal solution for the St. Louis County counselors given that it contained data for St. Louis County and included nearly all the relevant public assistance programs. The members of our working group were also impressed with the tool. They found it to be visually appealing and easy to use. However, the group identified some data inconsistencies for the Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) programs. As a result, the team reached out to the Atlanta Fed to learn more about the tool and to determine whether the Fed’s team might be willing to collaborate with our group to improve the results for St. Louis County (and Minnesota). After an initial email and meeting, the Atlanta Fed agreed to collaborate with our research team to improve the PRD (and the CLIFF portal, still in development at the time) results for Minnesota.

Resulting Improvements

The original PRD did not include Temporary Assistance for Needy Families (TANF) among its public assistance programs. TANF is the federal program that funds monthly cash assistance payments to low-income families with children as well as a wide range of services. The Minnesota Family Investment Program (MFIP) receives federal funding from TANF.

When the Atlanta Fed’s team launched its CLIFF portal in spring 2023, it added TANF as a program to its PRD and to the portal. Yet, after the TANF program was added, our team found that the results for St. Louis County did not match the policy rules for MFIP. As mentioned previously, TANF provides federal funding for MFIP, but MFIP is a larger program. The state puts a significant amount of money into it—more than one third of the program’s expenditures in 2021 (MN House Research, 2022)—and manages how the funds are administered to program recipients.

Because of the state’s significant financial contribution to the program, families are eligible to receive more generous benefits above what the federal TANF program provides. MFIP also includes a food allowance; families participating in MFIP receive MFIP Food instead of SNAP until their income reaches a certain level, at which time they transfer to the SNAP program. There are several other policies and exemptions that are unique to the MFIP program.

Our team worked with the Atlanta Fed to provide as much documentation on the MFIP program as possible,8

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7 At the time, the CLIFF portal was still in development and had not yet been published online, but the PRD was available on the Atlanta Fed’s website.
8 See Appendix E for the documentation our team provided to the Atlanta Fed on the MFIP program.
Our team also explained some of the more complex parts of the MFIP policy rules to help the Atlanta Fed’s team understand where there might be errors in their calculations. While it was not realistic to account for every MFIP policy and exemption in the Atlanta Fed PRD and CLIFF portal, we were able to reach a point where the results matched what most MFIP program participants would experience in St. Louis County.

**Next Steps**

The BBER will conduct three to five training courses with local counselors demonstrating the tool and how to use it when working with clients. However, since it is a tool the Atlanta Fed team created, they will first provide in-depth training to the BBER and create training materials that we can provide to the counselors. Additional training materials are available on the CLIFF portal—including a Quick Start Guide and an online training resource called “CLIFF Academy.”

Lastly, within each of the FAQ sections of the three tools in its CLIFF portal—Snapshot, Dashboard, and Planner—the Atlanta Fed provides detailed methodology materials. Our team will use those materials to educate counselors on the tool’s capabilities and assumptions.

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9 The BBER requested state-level data on MFIP eligibility rules from the Minnesota DHS. DHS shared links to its Combined Manual and some basic grant calculations in Excel. It is unclear whether an official policy rule or formula is available.

10 For the family scenarios we modeled, the cash payments shown in the PRD were accurate to within a $15 margin of error, while the food payments were accurate to within a 20% margin of error.
References


Leap Fund. https://myleapfund.com/


Urban Institute. https://www.urban.org/

Urban Institute. (n.d.) *ATTIS microsimulation model*. https://www.urban.org/research-methods/attis-microsimulation-model#text=The%20ACS%20provides%20annual%20information,estimates%20for%20some%20large%20cities


Appendix A. Definitions Used in this Report

**Benefits:** The assistance that one receives from public assistance programs

**Benefits cliff:** A phenomenon that occurs with public assistance programs in which someone’s income increases causing their benefits to decline

**Benefits recipients:** Those that are receiving some sort of public assistance

**Career counselor:** Professionals who help clients develop an employment plan, identify education and training needs, and/or obtain additional social supports with the goal of financial self-sufficiency.

**Cash assistance:** Any cash or money received from the government in designated intervals

**Childcare and Development Fund (CCDF):** A government program that provides financial assistance to low-income families to get access to childcare so they can work or obtain education

**Childcare subsidies:** A form of benefit from a public assistance program in which the individual receives financial assistance to pay for childcare

**Clients:** Individuals, typically those receiving public assistance, who meet with career counselors to receive assistance regarding career choices and financial independence

**CLIFF portal:** An online tool created by the Federal Reserve Bank of Atlanta designed to provide data and information on the potential short- and long-term financial impacts of a new job, income change, or career pathway

**Eligibility:** The state of being qualified to participate or be chosen (for public assistance programs)

**Employment service provider:** Agencies that serve eligible county residents by providing career counseling designed to build pathways to sustainable careers and economic self-sufficiency. Eligible agencies must apply and be approved by the Minnesota Department of Human Services (DHS) to be designated as an employment service provider.

**Federal Reserve Bank of Atlanta (Atlanta Fed):** Serves the Sixth Federal Reserve District, which encompasses Alabama, Florida, Georgia, and sections of Louisiana, Mississippi, and Tennessee. As part of the nation's central banking system, the Atlanta Fed participates in setting national monetary policy, supervises numerous commercial banks, and provides a variety of financial services to depository institutions and the US government.

**Gross income:** All income derived from any source except for items specifically excluded by law

**Minnesota Family Investment Program (MFIP):** Minnesota’s state welfare program for low-income families with children

**Net income:** The balance of gross income remaining after all allowable deductions and exemptions are taken

**Policy rules database (PRD):** The original tool and foundation of the data used to create the Atlanta Fed’s CLIFF Portal

**Public assistance program:** Any program through government funding that provides financial or supplemental support to those in need

**St. Louis County Economic Services and Supports Division:** Through its Public Assistance department, St. Louis County Economic Services and Supports administers many of the state and federal public assistance program.
**Supplemental Nutrition Assistance Program (SNAP):** A federal program that provides nutrition benefits to low-income individuals to purchase food

**Temporary Assistance for Needy Families (TANF):** A federal program that provides temporary cash flows to families in need. The federal funding source for the Minnesota Family Investment Program.
Appendix B. Working Group Members and Focus Group Participants

Table 2. Working Group Members

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Randy Back, operations director</td>
<td>Northeast Minnesota Office of Job Training</td>
</tr>
<tr>
<td>Jason Beckman, program director</td>
<td>SOAR Career Solutions</td>
</tr>
<tr>
<td>Elena Foshay, director</td>
<td>City of Duluth Workforce Development</td>
</tr>
<tr>
<td>Jan Fransisco, director of employment and training</td>
<td>Arrowhead Economic Opportunity Agency</td>
</tr>
<tr>
<td>Anna Palo, program manager for employment and training</td>
<td>Arrowhead Economic Opportunity Agency</td>
</tr>
<tr>
<td>Kari Paulsen, career counselor</td>
<td>Northeast Minnesota Office of Job Training</td>
</tr>
<tr>
<td>Carol Turner, senior workforce development coordinator</td>
<td>City of Duluth Workforce Development</td>
</tr>
<tr>
<td>Amanda Yates, assistant director</td>
<td>St. Louis County Economic Services and Supports</td>
</tr>
</tbody>
</table>

SOURCE: BBER

Table 3. Focus Group Participants

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Randy Back, operations director</td>
<td>Northeast Minnesota Office of Job Training</td>
</tr>
<tr>
<td>Jason Beckman, program director</td>
<td>SOAR Career Solutions</td>
</tr>
<tr>
<td>Carissa Ebnet, career counselor</td>
<td>Northeast Minnesota Office of Job Training</td>
</tr>
<tr>
<td>Michelle Gunnerson, career counselor</td>
<td>Northeast Minnesota Office of Job Training</td>
</tr>
<tr>
<td>Ryan Hampton, employment counselor</td>
<td>Northeast Minnesota Office of Job Training</td>
</tr>
<tr>
<td>Bonnie Kivisto, employment counselor</td>
<td>Arrowhead Economic Opportunity Agency</td>
</tr>
<tr>
<td>Sheila Lindberg, employment counselor</td>
<td>Arrowhead Economic Opportunity Agency</td>
</tr>
<tr>
<td>Holly Lisson, career counselor</td>
<td>City of Duluth Workforce Development</td>
</tr>
<tr>
<td>Jaycie Lopp, employment counselor</td>
<td>Arrowhead Economic Opportunity Agency</td>
</tr>
<tr>
<td>Lisa Lundborg, career counselor</td>
<td>Northeast Minnesota Office of Job Training</td>
</tr>
<tr>
<td>Kris O’Toole, employment counselor</td>
<td>Arrowhead Economic Opportunity Agency</td>
</tr>
<tr>
<td>Anna Palo, program manager for employment and training</td>
<td>Arrowhead Economic Opportunity Agency</td>
</tr>
<tr>
<td>Heather Rickerl, career specialist</td>
<td>SOAR Career Solutions</td>
</tr>
<tr>
<td>Wendy Rue, career counselor</td>
<td>Northeast Minnesota Office of Job Training</td>
</tr>
<tr>
<td>Carol Turner, senior workforce development coordinator</td>
<td>City of Duluth Workforce Development</td>
</tr>
</tbody>
</table>

SOURCE: BBER

Bureau of Business and Economic Research
Labovitz School of Business and Economics
University of Minnesota Duluth
Appendix C. Focus Group Questions

Let’s start with introductions. Say your name, the organization you work for, and your role there.

Show of hands: how many of you are familiar with the term “benefits cliff”?

Can anyone describe what the term means to you? Anyone else want to add more to that description? (restate concept back to the group so everyone is on the same page in terms of definition/meaning)

How many of you have had conversations with your clients (or participants) about the concept of the benefits cliff (regardless of whether you call it that)?

What are some examples of the kinds of conversations you might have with a client as it relates to the benefits cliff?

How have these conversations changed over the past year or two, given all that has occurred during that time? (mention COVID, inflation, wage increases, tight job market, remote work)

Are there certain types of clients that seem to be impacted more by this phenomenon? If so, who do you see as being most negatively impacted (e.g. income ranges, demographic groups, occupations, family size, etc?)

Based on what you know about the different public assistance programs, does it seem that certain programs create more challenges for clients in terms of the benefits cliff? If so, which ones and why?

What information, tools, or resources would be helpful to you in advising clients with regards to the benefits cliff? (perhaps show Atlanta Fed tool? Calculator? Concern that it might draw focus to what it “isn’t”)

If we were to survey current or former clients on this topic, what kinds of questions would you like us to ask?

Is there anything else I’ve missed? Anything you want to add?
Appendix E. MFIP Documentation

The following documentation was prepared by Amanda Yates, Assistant Director for St. Louis County Economic Services and Supports in October 2018. This documentation was shared with the Federal Reserve Bank of Atlanta to assist them in developing the MFIP portion of their Policy Rules Database.

MFIP Transitional Standards and Family Wage Levels

(Updated 10/2018)

- The Full Standard (highlighted) is the largest grant a family can receive in cash and food, not counting the housing grant.

- Family Wage Level is used to calculate benefits for families with earned income. Benefits can never exceed the full standard, even if family wage level is used in the calculation.

<table>
<thead>
<tr>
<th># Eligible People</th>
<th>Family Wage Level</th>
<th>Transitional Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Full Standard</td>
</tr>
<tr>
<td>1</td>
<td>$462</td>
<td>$420</td>
</tr>
<tr>
<td>2</td>
<td>$826</td>
<td>$751</td>
</tr>
<tr>
<td>3</td>
<td>$1,084</td>
<td>$985</td>
</tr>
<tr>
<td>4</td>
<td>$1,320</td>
<td>$1,200</td>
</tr>
<tr>
<td>5</td>
<td>$1,525</td>
<td>$1,386</td>
</tr>
<tr>
<td>6</td>
<td>$1,763</td>
<td>$1,603</td>
</tr>
<tr>
<td>7</td>
<td>$1,924</td>
<td>$1,749</td>
</tr>
<tr>
<td>8</td>
<td>$2,123</td>
<td>$1,930</td>
</tr>
<tr>
<td>9</td>
<td>$2,320</td>
<td>$2,109</td>
</tr>
<tr>
<td>10</td>
<td>$2,511</td>
<td>$2,283</td>
</tr>
<tr>
<td>Each add’l person</td>
<td>$189</td>
<td>$172</td>
</tr>
</tbody>
</table>
Colette is on MFIP with her three minor children. In August, she earned $1065 gross income from her job and received $205 in child support. She is not eligible for any extra deductions and is not in subsidized housing or sanction, and has no recoupment against her case. We are calculating October Benefits.

### Step #1 Earned Income

<table>
<thead>
<tr>
<th>GROSS EARNED INCOME</th>
<th>$1,065</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract $65.00</td>
<td>$1,065 - $65 = $1,000</td>
</tr>
<tr>
<td>Divide by Two</td>
<td>$1,000 ÷ 2 = $500</td>
</tr>
<tr>
<td>Subtract any other deductions</td>
<td>$500 - 0 = $500</td>
</tr>
<tr>
<td><strong>COUNTED EARNED INCOME</strong></td>
<td>$500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family Wage Level for 4</th>
<th>$1,320</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract Counted Earned Income from Family Wage Level</td>
<td>$1,320 - $500 = 820</td>
</tr>
<tr>
<td>Compare this to Transitional Standard</td>
<td>$828 &lt; $1200</td>
</tr>
<tr>
<td>Monthly Need (lower of two numbers)</td>
<td>$820</td>
</tr>
</tbody>
</table>

### STEP #2 Unearned Income

<table>
<thead>
<tr>
<th>GROSS UNEARNED INCOME</th>
<th>$205</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract out any additional deductions</td>
<td>$205 - 0 = $205</td>
</tr>
<tr>
<td>Apply Child Support Disregard</td>
<td>$205 - $200 = $5</td>
</tr>
<tr>
<td>Subtract the remaining unearned income from Monthly Need</td>
<td>$820 - $5 = 815</td>
</tr>
<tr>
<td><strong>UNMET NEED</strong></td>
<td>$815</td>
</tr>
</tbody>
</table>

### STEP #3 Other Grant Reductions

<table>
<thead>
<tr>
<th>UNMET NEED</th>
<th>$815</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract Up to $50 of Subsidy Amount</td>
<td>$813 - $0 = 813</td>
</tr>
<tr>
<td>Subtract Out Sanction Amount</td>
<td>$813 - $0 = 813</td>
</tr>
<tr>
<td><strong>UNMET NEED</strong></td>
<td>$815</td>
</tr>
</tbody>
</table>

### STEP #4 Housing Grant

Because she is not in subsidized housing, she will receive the $110 in Housing Grant.

<table>
<thead>
<tr>
<th>UNMET NEED</th>
<th>$815</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add Housing Grant, If Eligible</td>
<td>$815 + $110 = $925</td>
</tr>
<tr>
<td><strong>GRANT AMOUNT</strong></td>
<td>$925</td>
</tr>
</tbody>
</table>
FINAL GRANT: $923 ($110 HG, $577 Food, $236 Cash)

“Work Pays”
Max MFIP Grant for Family of 4 = $1200 Transitional Standard + $110 Housing Grant = $1310
Gross Income = $1065 Wages + $205 Child Support + $925 MFIP = $2195

Step #1 - Earned Income and Monthly Need Calculations

- Start with Gross Income for the Budget Month
- Apply Earned Income disregard (Subtract $65 and Divide by two)
- Subtract any other deductions (such as a Court Ordered Expense, or Allocation)
- Subtract from Family Wage Level
- Compare to Transitional Standard (smaller of the two becomes the “Monthly Need”)

EXAMPLE:
Colette is on MFIP with her three minor children. In August, she earned $1065 gross income from her job and received $205 in child support. She is not eligible for any extra deductions and is not in subsidized housing or sanction, and has no recoupment against her case. We are calculating October Benefits.

Step #1 Earned Income

<table>
<thead>
<tr>
<th>GROSS EARNED INCOME</th>
<th>$1,065</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract $65.00</td>
<td>$1,065 - $65 = $1,000</td>
</tr>
<tr>
<td>Divide by Two</td>
<td>$1,000 ÷ 2 = $500</td>
</tr>
<tr>
<td>Subtract any other deductions</td>
<td>$500 - 0 = $500</td>
</tr>
<tr>
<td>COUNTED EARNED INCOME</td>
<td>$500</td>
</tr>
</tbody>
</table>

Exercises for Step 1
(1) Lyla is on MFIP with two children. She has an on-call job and earned $265 in August. She has no other deductions. How much earned income is counted? What is her Monthly Need?

<table>
<thead>
<tr>
<th>GROSS EARNED INCOME</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract $65.00</td>
<td></td>
</tr>
<tr>
<td>Divide by Two</td>
<td></td>
</tr>
<tr>
<td>Subtract any other deductions</td>
<td></td>
</tr>
<tr>
<td>COUNTED EARNED INCOME</td>
<td></td>
</tr>
</tbody>
</table>

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Robert is on MFIP with one child. He has gross earnings of $765 for August. The paystubs show he also paid a total of $100 in child support for a child he does not have custody of. How much earned income is counted?

<table>
<thead>
<tr>
<th>GROSS EARNED INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract $65.00</td>
</tr>
<tr>
<td>Divide by Two</td>
</tr>
<tr>
<td>Subtract any other deductions</td>
</tr>
</tbody>
</table>

COUNTED EARNED INCOME

(3) Gary and Gia are on MFIP with their four children. Gary had earnings of $365 gross for August and Gia had earnings of $465. They have no other deductions. How much earned income is counted?

<table>
<thead>
<tr>
<th>GROSS EARNED INCOME (Gary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract $65.00</td>
</tr>
<tr>
<td>Divide by Two</td>
</tr>
<tr>
<td>Subtract any other deductions</td>
</tr>
</tbody>
</table>

COUNTED EARNED INCOME

<table>
<thead>
<tr>
<th>GROSS EARNED INCOME (Gia)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract $65.00</td>
</tr>
<tr>
<td>Divide by Two</td>
</tr>
<tr>
<td>Subtract any other deductions</td>
</tr>
</tbody>
</table>

COUNTED EARNED INCOME
### Step #2 Unearned Income Exercises

- Most Unearned Income counts dollar per dollar off of the MFIP Grant
- There is a disregard for child support of $100 for a family with 1 child on MFIP and $200 for a family with two or more people on MFIP.
- There are additional deductions including Court Ordered Expenses and Allocations

#### EXAMPLE:

Colette’s Monthly Need from Step #1 is $828. She received $205 in child support. She has no other deductions.

<table>
<thead>
<tr>
<th>GROSS UNEARNED INCOME</th>
<th>$205</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract out any additional deductions</td>
<td>$205 - $200</td>
</tr>
<tr>
<td>Apply Child Support Disregard</td>
<td>$205 - $200</td>
</tr>
<tr>
<td>Subtract the remaining unearned income from Monthly Need</td>
<td>$828 - $5</td>
</tr>
</tbody>
</table>

**UNMET NEED**

$823

### Unearned Income – Exercises

1. Jade and her two children are on MFIP. They have no earned income, so their monthly need is the transitional standard for three people ($985). She has no extra deductions. Jade received $400 in child support. What is their Unmet Need?

<table>
<thead>
<tr>
<th>GROSS UNEARNED INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apply Child Support Disregard</td>
</tr>
<tr>
<td>Subtract out any additional deductions</td>
</tr>
<tr>
<td>Subtract the remaining unearned income from Monthly Need</td>
</tr>
</tbody>
</table>

**UNMET NEED**
(2) Lawrence and his three children are on MFIP. After taking earned income into account, their monthly need is $1000. One of the children receives $150 of RSDI monthly due to his mother being on RSDI. They have no extra deductions. What is their unmet need?

<table>
<thead>
<tr>
<th>GROSS UNEARNED INCOME</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Apply Child Support Disregard</td>
<td></td>
</tr>
<tr>
<td>Subtract out any additional deductions</td>
<td></td>
</tr>
<tr>
<td>Subtract the remaining unearned income from Monthly Need</td>
<td></td>
</tr>
<tr>
<td><strong>UNMET NEED</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Step #3 Other Grant Reductions and Sanctions**
- Deduct up to $50 of subsidy received from the MFIP grant, unless a subsidy-rule exemption is met
- Sanctions may be applied of 10% or 30% of the **Transitional Standard**, which is deducted from the grant.

**EXAMPLE:**
After the first two steps, Colette’s Unmet Need is $823. She is not in subsidized housing and not in sanction.

<table>
<thead>
<tr>
<th>UNMET NEED</th>
<th>$823</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract Up to $50 of Subsidy Amount</td>
<td>$823 - $0</td>
</tr>
<tr>
<td>Subtract Out Sanction Amount</td>
<td>$823 - $0</td>
</tr>
<tr>
<td><strong>UNMET NEED</strong></td>
<td>$823</td>
</tr>
</tbody>
</table>

**Step 3 - Subsidy Grant Reduction Examples:**

(1) Carly is on MFIP with five children. She is a Universal Participant with no income. She receives a monthly HRA subsidy of $500 for her apartment. She is not in sanction. Her Unmet Need is therefore the transitional standard of $1603. What is her new Unmet Need after we take this subsidy into consideration?

<table>
<thead>
<tr>
<th>UNMET NEED</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract Up to $50 of Subsidy Amount</td>
<td></td>
</tr>
<tr>
<td>Subtract Out Sanction Amount</td>
<td></td>
</tr>
<tr>
<td><strong>UNMET NEED</strong></td>
<td></td>
</tr>
</tbody>
</table>
(2) Susan is on MFIP with two children. She has a current medical opinion form stating she can work <19 Hrs/week. She is in subsidized housing. She is not in sanction. Her unmet need after earned and unearned income is counted is $750. What is her new unmet need after we take subsidy rules into consideration?

Sanction Information

- Clients have a single lifetime count of all sanctions from their initial MFIP orientation, Employment Services, and Child Support. (Drug felon sanctions do not impact this count.)
- Sanction Amount is based on Sanction Count for Case, which includes sanctions from all caregivers.
- If two caregivers are in sanction the same month, or a caregiver is in sanction or multiple reasons in one month, it still is counted as a single sanction.

<table>
<thead>
<tr>
<th>Sanction Count for Case</th>
<th>Percentage</th>
<th>Other Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>2nd - 6th</td>
<td>30%</td>
<td>Mandatory Vendoring Applies</td>
</tr>
<tr>
<td>7th</td>
<td>100%</td>
<td>Case Must Remain Closed 30 days</td>
</tr>
<tr>
<td>First After Sanction Closure</td>
<td>30%</td>
<td>Mandatory Vendoring Applies</td>
</tr>
<tr>
<td>Second After Sanction Closure</td>
<td>100%</td>
<td>Case Must Remain Closed 30 days</td>
</tr>
</tbody>
</table>

- Percentages are taken off of the Transitional Standard. They are based on household size, not on what grant would have been paid out if there was no sanction.

<table>
<thead>
<tr>
<th>Transitional Standard for 4-Person HH = $1,200</th>
<th>Multiply by .3</th>
<th>$1200 * .3</th>
<th>$360</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% Sanction for 4-Person Household</td>
<td>$360</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- All sanctions can be lifted for the next month if compliance is ten days before the sanction is imposed.

- Some specific sanctions can be lifted any time before the sanction is imposed. (For example, if a client is rolling in 30% sanction, meaning they were sanctioned 30% in September, and are set to be sanctioned 30% in October, the sanction can be lifted if compliance occurs by 9/30.)

- All sanctions can be lifted retroactively or after deadlines if there is good cause established. (An October sanction could be lifted with compliance of Oct 20th if good cause has been established.)
Sanction Example

(1) Madison is on MFIP with three children. She is in 30% sanction. She is not in subsidized housing. Her unmet need after taking her income into consideration is $500. What is her new unmet need after the sanction is applied?

Sanction Calculation:

Transitional Standard for four people =

Multiple by Sanction Percent (.3) =

Sanction Amount

<table>
<thead>
<tr>
<th>UNMET NEED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract Up to $50 of Subsidy Amount</td>
</tr>
<tr>
<td>Subtract Out Sanction Amount</td>
</tr>
<tr>
<td>UNMET NEED</td>
</tr>
</tbody>
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Step 4 – Housing Grant

What is the housing grant?
The housing grant is a third part of an MFIP grant on top of the regular cash and food available to MFIP households that meet the requirements.

How much is the housing grant?
The housing grant is always $110. It is never prorated, never sanctioned, and never has income counted against it. A household is either eligible for the housing grant, or they are not. There is no partial eligibility. If they meet the eligibility requirements any one day of the month, they receive the full $110.

Who is eligible for the housing grant?
A household is eligible for the housing grant if they are eligible for MFIP and are not in HRA Subsidized housing, or if they are in subsidized housing but meet an exemption from housing grant rules.

These exemptions include the following:
- Medical opinion form for <19 Hours of Work per week
- Medical opinion form stating they are needed in the home to care for someone else
- Age 60 or Older
- Households where a parent is excluded due to receipt of SSI.

Who is NOT eligible for the housing grant?
- Relative Care MFIP Cases
Households who live in HRA Subsidized housing with no exemptions
  - The Family Violence Waiver is not an exemption.

How does this affect the 60-Month Lifetime Limit?
Any month in which a client receives the housing grant is a counted TANF month. Clients who are on extensions have the same eligibility for the housing grant as pre-60 households.

STEP 4 Examples
The housing grant is a third part of MFIP besides MFIP CASH (MF-MF) and MFIP FOOD (MF-FS).

1. Portia is on MFIP with her two children. She lives with family in a house that they own and pays no rent. Does she receive the housing grant?
2. Anna, age 32, is on MFIP with her three children. She lives in HRA subsidized housing. She is a universal participant. Does she get the housing grant?
3. Michael is on MFIP with one child. He lives in HRA subsidized housing and has a medical opinion stating he is needed in the home for care of that child. Does he get the housing grant?

MFIP Budget Training Script
For the first two months of MFIP it is prospectively budgeted, just like DWP. We are basing the budget on our best estimate or what income the client will get. In the third month, it switches to Retrospective budgeting, which means using actual income from the prior month to calculate next month’s benefits. Because of this change, many things are different for the first two months of MFIP than other months. I am going to focus on the retrospective case though. Since prospective budgeting only lasts two months, it is rare to run into.

(Budget Cycle Handout)
Retrospective budgeting runs in a three month cycle. At any given time, we are using last month’s actual income to determine next month’s benefits. So for example, right now we are currently gathering December information from clients to determine February benefits. You can see the timeframe for any benefit month on this handout. This obviously can be very confusing for clients.

For cases with no earned income, there usually are not many changes. We receive information through our system on what child support clients received in the last month, and we may receive messages from social security about changes to RSDI. We will act on these changes if we receive them, but most non-monthly reporter’s budgets do not change month to month.

For cases that do have earned income, this makes them monthly reporters (And actually, they stay monthly reporters for up to four months following the job end as well). The second chart on this handout is going through what our monthly processing looks like. Household Report Forms (HRFs) are required for the budget month. They cannot be signed before the last day of the month, and they are due by the 8th of the processing month. So, the client needs to turn in an August HRF between 8/31 and 9/8 for October benefits. With the HRF they also would submit proof of all August income and proof of

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any other changes. The team has until mid-month (the 16th) to process these HRFs. If they are complete, we would approve October benefits. If they are incomplete – for example, not all the paystubs were turned in, or a question was skipped, or there is an inconsistency with the file, we would send out a notice of late or incomplete telling the client what else is needed. Any monthly reporting case that has not been approved by the 16th of the month goes through Auto closure. The system sends out a closure notice telling them they are closing for not completing their monthly reporting process. Our goal is always to have all household report forms that were turned in timely (by the 8th) processed before the 16th, which is why it’s so important for clients to hand in their report forms timely. We continue to process HRFs as they come in late throughout the month, or re-process as people submit the missing documents or previously incorrect forms. The last two days of the month, benefits start to be issued. A lot of clients get their household report forms in on time, but a lot do not. An HRF turned in late is subject to the same rules as those turned in on time, so if there is anything missing it will be even further delayed. When HRFs are turned in a little late, Auto Closure notice might still be received before the bank has a chance to work the document. When an HRF is turned in very late (after the middle of the month), it is likely the client’s benefits will be delayed. This also means the client will not get much notice of what exactly their benefits are. The official notice is that auto closure notice, and any approval done after that is actually an increase, even if benefits are lower than the previous month. The third chart on this hand out tells you when benefits will be issued. If an HRF is approved before what we call “cash cutoff” (which is always a few days before the end of the month), the benefits go out on time. If it is processed after cash cutoff, but before the 1st, the benefits issue the 1st. After that, benefits issue over night after the approval is complete. You can see from all of this why it is very important that clients turn in their HRFs and paystubs timely, and complete. The very latest that we can approve benefits are the last day of the benefit month, so in the example, October 31st. If a client does not complete their August Household Report form and Submit all needed august verifs by October 31st, they become a new MFIP application.

Now to talk about the actual budgeting process. When we have that income verified, how do we determine what the client actually receives? I am not going to lie, this is a complicated formula. I am going to try to lay it out as simply as possible and the easiest way to do that is with an example. We are lucky that our computers normally do most of these calculations.

Like DWP, we start with a transitional standard. I included a chart here for your benefit. The transitional standard is the maximum grant that a household can receive (not including HG). I want to point out that the Household Size is referring to the people who are eligible for MFIP. So, if there is a person in the household on SSI for example, they are not counted. Once you have the transitional standard, a formula is then used to subtract a portion of the client’s income off of this maximum grant to determine what they actually receive. I have broken it down into four steps. We are going to go through it in quite some detail and give you guys a chance to do the calculations for each step on some examples.

STEP #1 Earned Income
STEP #2 Unearned Income
STEP #3 Other Grant Reductions

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STEP #4 Housing Grant

Step #1 is to deal with Earned income. MFIP is designed to reward work, and this is accomplished through two mechanisms. The Family Wage Level, and the Earned income disregard. Families who work start at a higher number at the beginning of the calculation, the family wage level, then nonworking families. This does not mean they can receive higher grant than others, it is just a way to ignore a bit more of their income. The earned income disregard is that we take gross income, subtract 65 dollars and then divide by two. So let’s say someone had gross earnings of $1065 in August. First we subtract $65, then divide it in half. ($1065 – 65 = 1000, 1000/2 = $500). So on this case the earned income disregard was $565 dollars of earned income we did not count. There are other disregards available as well, but they do not often apply. If a client has verified they paid child support or other particular court ordered expenses in the budget month, we will deduct this as well. Sometimes there is also a deduction if a person has an “adult” child in the home, like a 19 yr old, who they are supporting and is not on benefits. This is called an allocation. These cases are very rare though. Once we make all the appropriate deductions, the remaining amount is counted earned income. In this case, $500.

We then use this counted earned income to figure out the Monthly Need. Counted earned income is subtracted from the family wage standard for the family size. In this case, we subtract our $500 from $1318, resulting in $818. If we had used the transitional standard, $1198, we would only have $698 at this point, so that family wage level effectively disregarded an extra $120 of earned income.

There are some cases for very small levels of earned income where the result when you subtract counted earned income from family wage level you get a number higher than the transitional standard. In these cases, the grant maxes out at the transitional standard, and the earned income is effectively not counted at all. So basically we are comparing the # we have at this point to the transitional standard and using the smaller of the two. This gives us Monthly Need and is the end of step #1.

I think this step is the most relevant to Employment Services, as often your concerns stem from how earned income will affect a grant. There are three practice cases for you to work through.

OK. So we are at $828 after dealing with her earned income. Time to look at unearned income. Most types of unearned income are counted dollar for dollar (such as RSDI, Unemployment, and most local Per-capita income). Child support has its own disregard- for families with 1 child on MFIP, we can exclude up to $100 of child support. For families with 2 or more children on MFIP, we can exclude up to $200 of child support. After these disregards are used, the rest of child support counts against the grant dollar for dollar. In our case, the client received $205 in child support and has no other unearned income. She has more than one child on her MFIP grant, so we can disregard up to $200 of child support. This means we are counting $5 of child support. If that client had less than $200 in child support, we would count none of it.

Like with Earned Income, there are some other disregards that CAN apply to unearned income but they are very rare. If a person is paying child support out of their RSDI, for example, this can be disregarded from their unearned income.
We have two examples to work through for how unearned income affects a grant.

The third step is to consider other grant deductions and sanctions. The main deduction here is for Subsidy. For clients who are in subsidized housing, and do not have other exemptions, $50 of their subsidy is deducted from their grant. The exemptions for this category are the same as for the housing grant- if a client is in HRA Subsidized Housing, but is on a medical opinion form or needed in the home, over age 60, or has a second parent in the HH with SSI income, the $50 is not deducted.

It is important to point out here that this means medical opinion forms are very significant for a client’s grant size. Even if the MOF does not affect FSS status or eligibility, for example if someone is on the child<1 exemption, or they are applying for Social Security as their FSS status, a medical opinion expiring can cause the grant to drop by up to $160 ($50 here and $110 for the housing grant later on).

The other big part of this step is Sanctions. There is a sanction specific sheet in your packet that explains the basics, I am sure most of you are familiar with a lot of this. (go through Sanction Hand Out).

There are other, less common grant reductions that could also occur at this point, such as a recoupment for a previous overpayment.

All of the deductions are taken out of Unmet Need. The final Unmet Need amount remaining after taking all of this into account is the MFIP food and cash portions. On collete’s case, she is not in subsidized housing or sanction, and has no other deductions. For this step we are not subtracting anything. The unmet need remains at $883. Here are a couple examples to work there where there could be a deduction.

(Go through examples)

The final thing to look at, step #4, is the housing grant. We already touched on most eligibility requirements for this, but lets go over it in a bit more detail (HG Hand Out).

HG exercises.

One final thing about MFIP budgeting. Certain types of income are just flat out excluded. We do not look at Student Aid. Americorp income is excluded, though we need to track hours for the WPR. Earned income of children in school at least half time is not counted. If someone pays an expense for them directly, such as paying their utility bill or rent, this is not considered income, and Aid from other community charities can be excluded if it was used for its intended purposes. The newest excluded income is Spousal Income. They ALWAYS should report income to avoid any potential overpayments, and allow us to determine if it is counted or not, or if further information is needed.
And that is the end! Is there any specific topics or questions we have not covered that people want to discuss?

Thank you everyone for your time. Please fill take a moment to fill out the survey in your folder so we can improve this training in the future.