



March 21, 2022

Dear Members of the House Human Services Finance and Policy Committee:

We write in support of House File 4124 to modify the income reporting requirements for the Minnesota Family Investment Program (MFIP).

At Greater Twin Cities United Way, our mission is to unite changemakers, advocate for social good and develop solutions to address the challenges no one can solve alone. Together with our partners, we touched over 500,000 lives across the nine-county metro area last year. We fund over 100 nonprofits and coalitions through multi-year general operations grants, innovation initiatives and supportive funds directed toward our partners' most pressing needs in the areas of Household Stability, Educational Success and Economic Opportunity. As an important part of this work, we advocate for policies that support pathways toward economic independence for working families from low-wealth households.

Current, high-demand industries such as retail, food service, hospitality, low-wage health care and agriculture are experiencing acute labor shortages in our state, yet represent jobs that provide lower wages, inconsistent hours and work that is often temporary or seasonal. This can lead to dramatic variability in monthly income, making it difficult for families to "make ends meet".

Short-term public benefits like MFIP can help fill those gaps during a temporary job loss or crisis, supplementing income for thousands of working Minnesotans so they can pay for housing, food and child care when times are tough. However, eligibility requirements for these programs which intend to prioritize public dollars toward greatest need, often present barriers to economic independence by effectively penalizing people who take advantage of the employment opportunities available to them, creating a "benefits cliff". When a small, incremental income gain causes benefits to abruptly disappear, it can result in a net income loss to households and reduce access to child care, housing and food.

We ask that you support House File 4124 to smooth out these cliffs by allowing Minnesotans to fully participate in our workforce – to stay employed, re-enter the workforce or pursue more stable work. Providing stabilizing income over a longer, six-month period using prospective budgeting would allow workers to pursue the education, training and career support needed to expand their capacity for higher-wage employment and better economic opportunities.

We urge legislators to provide working families pathways toward fully engaging in our economy, particularly at this critical moment of recovery for our state.

Thank you,

Kristen Rosenberger
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