

Legislative Wrap Up

2023 Minnesota Legislative Session

MinnCAP 2023 Legislative Priorities

- Community Action Grant- adds \$5.4 million to MCAG for the FY '24-'25 biennium
- Family Assets for Independence in MN- Increases the funding by \$3 million to the program in the FY '24-'25 biennium. Adds emergency savings and college savings as eligible uses. Changes statute to allow Tribal Nations and 501c3 nonprofits as eligible grantees. Increases state match to \$12000/ participant
- Pre-weatherization- funds preweatherization and workforce training programs at \$38 million in the '24-'25 biennium, and includes ~\$3.2 million annual funding for the program in the outyears. The funding allows Commerce to create an RFP for workforce training. The funds are available until expended.

Department of Human Services

MFIP- creates six-month reporting instead of monthly reporting, essentially ignores increases in pay in those six months, repeals mandatory drug testing and sanctions for a positive test, indexes housing allowance to inflation

Childcare

- CCAP: Increases the CCAP reimbursement rate to the 75th percentile
- Exempts Head Start that serves children ages 3 and up from licensing requirements
- Reprioritizes basic sliding scale permanently based on temporary prioritization during COVID: first priority to non-MFIP eligible; second priority families with at least one parent who is a veteran
- Continuation of child care stabilization grants through the end of calendar year 2023
- Creates an early childhood apprenticeship grant program through DHS and Labor and Industry, which can be completed at licensed child care or Head Start facilities. Mentors for the apprentices can receive a \$4000 stipend, employers can receive \$5000/ apprentice

Housing

- Emergency Services Program- adds \$30 million in FY '24-'25 and \$50 million in '26-'27
- Transitional Housing Program- adds \$3 million/year to the program
- Homeless Youth Act- adds \$15.136 million per year to HYA
- Provides \$100 million one-time for homeless shelter development and rehabilitation
- Modifies the Housing Support program countable income to ensure people with unearned income only pay a maximum of 30% of their income toward housing.

Food Assistance

- Additional \$3 million/ year for the Minnesota Food Self Program
- \$7 million one-time for capital projects for food shelf facilities
- Creation of a new SNAP outreach program

Community Resource Centers- \$7.14 million one-time to establish community resource centers. Community resource centers will provide culturally responsive case management to parents, expecting parents, caregivers. Also establishes a CRC Advisory Council to advise on the efficacy and funding of the CRC network

Medical Assistance/ MinnesotaCare

- Eliminates all cost-sharing for medical assistance
- Makes undocumented Minnesotans eligible for MinnesotaCare

Services for older adults

- Additional \$4.575 million in '24-'25 for Live Well at Home
- \$10.552 million available for senior nutrition program, available through 2027
- Rate increase for HCBS chore and home maker services, delivered meals

Children, Youth and Families Department- creates a new department that will oversee family economic supports, early childhood education, foster care, child welfare, and more. Community Action related programs specifically outlined as moving to the new department are: Community Action Grant, FAIM, Head Start, CCAP, Parent Aware, childcare licensure, SNAP, food assistance and food shelf programs, MFIP, scholarships.

Get Covered provisions- requires hospitals screen uninsured patients for health insurance eligibility, including referral to a MNsure navigator, or for charity care before the hospital can send the patient to debt collectors

Early Childhood Education

Head Start

- Adds \$10 million annually to the state Head Start formula
- Changes the Head Start formula so 10.72% of the funds go to Tribal Head Start

Early Learning Scholarships – adds \$252 million in '24-'25 and ~\$59 million in '26-'27 to scholarships

Grow your own- licensed childcare facilities, head starts, and nonprofits can apply for grow your own grants to build or expand childcare workforce preparation. This could include programs that help people receive their Child Development Associate credentials, associates or bachelor's degrees, etc. \$5 million first biennium.

Transportation

Reinstates suspended driver's licenses- allows people who have currently suspended licenses due to failure to pay a parking ticket or driving after suspension to have their licenses reinstatement. Will impact 8k Minnesotans

Reintegration driver's licenses- provides Reintegration Drivers' Licenses to people who were recently released from incarceration who had their licenses revoked or suspended prior to incarceration. After a year without any violations, the person can qualify for a standard driver's license

Taxes

Child Tax Credit/ Working Family Credit

- \$1750/ child ages 0-17 years old for households making \$35k jointly or \$29k separately. Phases out after this threshold by 12% of earned income over the threshold
- Adjusts the Working Family credit to provide credits to dependent children ages 18-24 who are full time students. Credit is set at 4% of first \$8750 of earned income plus a per child amount: \$925 for one older child; \$2100 for two older children; \$2500 for three or more older children
- Both credits are fully refundable

Child and Dependent Care Credit- makes this credit available for nonmarried tax filers who qualify

Advanced Refundable Credit (direct payments)- one-time payment of \$520 for married joint filers, \$260 for single filers, and an additional \$260/dependent up to an additional \$780. Cutoff is \$150k adjusted gross income for married joint filers and \$75k adjusted gross income. This is based on tax year 2021 income.

Hospital Revenue Recapture- disallows nonprofit hospitals from pursuing revenue recapture, meaning they are no longer able to go after someone's tax credits to pay debt. Drops revenue recapture from 94k current cases

Commerce Department- Energy provisions

Residential heat pump rebates –the lesser of \$4K or total cost less a federal rebate under the IRA

Residential electric panel upgrade

- \$3K for households under 80% AMI for single family, \$2k for households between 80-150% AMI
- \$5K plus \$500 per multifamily residential unit
- Commerce must publicize the availability of these grants at a minimum through CAAs who provide Wx

Community Solar Gardens- provisions included for low- and moderate-income households. We are still working to assess the impact of this provision for CAA program participants and agencies.

Modify CIP definition of low-income- from 60% state median income to 80% of AMI for low-income CIP

DEED

Getting to Work- grants to nonprofits that provide, repair or maintain vehicles to help individuals find and maintain employment. Individuals must also receive some sort of financial literacy in partnership with the vehicle program. Funded at \$1million/ year for FY '24-'25

Housing Finance Agency

Rental Assistance:

- Increase FHPAP by \$45 million one time (one top of \$50 million for ERA) in '24- '25
- \$2 million/ biennium increase in funding ongoing to the Homework Starts with Home program
- Creates the Bring It Home state voucher program to provide state vouchers similar to Housing Choice Vouchers to most families under 30% AMI. Funded through general fund and a metro sales tax

First-generation down-payment assistance- \$100 million for a community-based first generation down-payment assistance program that will be run out of the Midwest Minnesota CDC in Detroit Lakes

Capacity Building Grants- \$5 million to assist nonprofits that purchase and develop affordable housing, provide supportive services, or provide homeownership down-payment assistance and counseling

HECAT- \$2 million one-time increase to HECAT

Housing organization relief- \$50 million one-time for nonprofit housing rental providers who have experienced financial hardship or income loss due to inflation, unpaid rent during the moratorium, or an operating shortfall.

Strengthen Supportive Housing- \$25 million one-time for supportive housing providers to help pay for front desk staff, security cameras, tenant coordination, or revenue shortfall

Housing Infrastructure- \$200 million cash in housing infrastructure to be used similar to HIBs (but not a bond!)

Paid Family and Medical Leave- creates a Paid Family and Medical Leave program, starting in 2026.

- For the purpose of this program, family means a spouse, child (biological, step, adopted, etc), sibling, parent/guardian, grandchild, grandparent, and son/daughter in-law
- Employers are allowed to substitute the state plan with a private plan that provides paid family and medical benefits
- The premium rates are set at 0.7% for employers enrolled in both the paid family and medical leave programs, 0.4% for those only enrolled in medical benefits with a private family benefits plan, and 0.3% for those only enrolled in family benefits with private medical plans.
- Provides 12 weeks/ year of partial pay time off to care for a newborn or sick family members AND/OR an additional 12 weeks/year to recover from personal illness/ injury. Benefits are capped at 20 weeks per year for all employees.