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# **MINNESOTA'S GUIDE TO BABY'S FIRST YEAR GIFT INCOME**

Policy and System procedures

July 2018 – December **2025**

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## Baby's First Years Study: Background

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The Baby's First Years study is a multiyear, multistate randomized control trial to test whether there is a connection between poverty reduction and children's brain development in the first three years of life.

The study will include 250 Minnesota families living in poverty with a newborn baby. Half the families will get \$20 a month (\$240 a year) for 40 months, and the other half of the families will get \$333 a month (about \$4,000 a year) for 40 months. The money is a gift from a philanthropic funder and is called a 4MyBaby cash gift. Families will get the funds through special debit cards provided to them. The 4MyBaby cash gift is not taxable. There are no requirements about how the family must use the cash gift. Study participants will get a letter documenting their participation (see Attachment A).

The study will enroll families with mothers who have just given birth at designated hospitals in the Twin Cities metro area. To qualify for the study, a family must have an income below the federal poverty line. Eligible mothers will have the option to participate or not participate in the research and get the 4MyBaby cash gift. Mothers who choose to participate will be randomly assigned to get either the high amount or the low amount of the 4MyBaby cash gift. Mothers can opt out of the research at any point and continue to get the 4MyBaby cash gift. Recruitment began the week of July 9, 2018.

The study is being conducted by independent researchers with support from the National Institutes of Health. The State of Minnesota is not conducting the study. The 2016 Minnesota Legislature enacted a law directing the Department of Human Services (DHS) to disregard the gift payments to families participating in the Baby's First Years study when determining eligibility for certain means-tested programs. This helps ensure that the 4MyBaby cash gift actually increase a family's overall income and does not displace other resources.

## Treatment of the 4MyBaby Cash Gift for DHS Programs

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Families may or may not be getting public assistance benefits while participating in the study. However, because the incomes of families participating in the study are below the federal poverty line, the families are likely to be eligible for different means-tested benefits.

Families will be recruited from hospitals in the Twin Cities metro area. Although they are likely to be Hennepin and Ramsey County residents when the babies are born, they may live in neighboring counties and may move during the years of the study. Therefore, we (DHS) want all counties and tribes to be aware of the study.

The families will have a letter from the research team to share with eligibility workers. The letter will explain the following:

- Which programs will count the income and which will not
- How the families will get the income (through a debit card)
- That the letter is documentation of getting the 4MyBaby cash gift

The following subsections describe how to treat the 4MyBaby cash gift for DHS public programs.

## A. Income and Assets

Do not count the 4MyBaby cash gift as income or an asset when determining eligibility for the following programs. Do not reduce benefits because a family gets the 4MyBaby cash gift.

- Minnesota Family Investment Program (MFIP)
- Diversionary Work Program (DWP)
- Child Care Assistance Program
- Supplemental Nutrition Assistance Program (SNAP)
- Medical Assistance for Employed Persons with Disabilities (MA-EPD)
- Medical Assistance for Families with Children and Adults (MA-FCA)
- Medical Assistance for People Who Are 65 Years Old or Older, Are Blind or Have a Disability (MA-ABD)
- Medicare Savings Programs (MSPs)
- Minnesota Family Planning Program
- MinnesotaCare

## B. Child Support

The 4MyBaby cash gift is not intended to count as income for purposes of child support. County child support agencies are expected to request that the court not count the gift as income for child support. However, it is within the discretion of the presiding judge or child support magistrate whether to include the gift as income.

If the gift is included as income, an increase or decrease in child support may occur. If determined to count as income by the court, we expect the vast majority of cases to have only a modest change in child support.

## III. Treatment of the 4MyBaby Cash Gift for Other Programs

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The following programs administered by agencies other than DHS **will not count** the 4MyBaby cash gift in determining eligibility or benefit levels:

- Energy Assistance Program (LIHEAP), administered by the Minnesota Department of Commerce
- Early Learning Scholarships through the Minnesota Department of Education
- Minneapolis Public Housing Authority programs
- Earned Income Tax Credits (a federal tax credit)
- Working Family Credit (a Minnesota tax credit)
- HeadStart and Early HeadStart in Ramsey County and Minneapolis

The following programs administered by agencies other than DHS **will count** the 4MyBaby cash gift:

- Supplemental Security Income (SSI), administered by the federal Social Security Administration
- National School Lunch Program (NSLP)
- Women, Infant and Children's (WIC) Special Supplemental Nutrition Program

However, the WIC program **will not count** the 4MyBaby cash gift if one of the following is true:

- The family is automatically eligible because of participation in Medical Assistance, MinnesotaCare, MFIP, SNAP, Head Start, NSLP, or Energy Assistance.
- The child is automatically eligible because he or she gets SSI benefits.
- Saint Paul Public Housing programs (The agency has applied for a federal waiver to disregard the gift income from this study. If it is approved, DHS will issue an update.)
- Section 8 housing outside Ramsey and Hennepin Counties

## Action Required

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Treat the 4MyBaby cash gift as noted in Section II.

Document a family's participation in the Baby's First Years study at application or when a family member tells you about the family's participation by entering a case note in MAXIS, MEC<sup>2</sup> or METS. Do not enter any income or asset information for funds associated with the 4MyBaby cash gift. Do not require proof that a parent or family is participating in the study.

If parents enrolled in the study have questions or problems accessing the gift income, have them email Lauren Meyer at [Lmm2260@tc.columbia.edu](mailto:Lmm2260@tc.columbia.edu).

## Legal Authority

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Laws of Minnesota 2016, Chapter 189, Article 15, Section 29

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## Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-2670 or toll free at (800) 657-3739 or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.

# 4 MyBaby

Dear Mother:

You have the opportunity to receive a cash gift every month for the next 3 years and 4 months (40 months total). The money is not provided as payment for your participation in any research. You will continue to receive the monthly gift even if you decide not to participate in the research study.

**The 4MyBaby gift is coming from charitable foundations that want to help support families with new babies. We are helping to distribute the payments through a debit card.**

## Things you should know about the 4MyBaby debit card:

- The monthly gift will be loaded automatically once a month on a debit card that we will give to you.
- The debit card can be used to make purchases at stores or online or you can withdraw cash with it.
- There is no fee for using the debit card if you use it anywhere that accepts MasterCard. You can also get cash back using the debit card with any purchases that accept MasterCard.
- The debit card can be used to withdraw cash at any ATM for a fee of \$2 to \$5 per transaction, depending on the bank.
- We will also replace your card if it is lost or stolen.
- The monthly gift on the debit card will continue for the full 3 years and 4 months unless you ask us to stop providing the gift to you before then. During the 3-year, 4-month period, the research team will be in touch with you about obtaining and activating a new card when this one expires.

## Things you should know about the 4MyBaby gift:

- **Because this money is being given to you as a gift, it is NOT considered taxable income and should NOT be reported on your income tax returns.**
- Eligibility for Medicaid, Head Start and Early Head Start is based on the IRS's definition of modified adjusted gross income, which excludes gifts. For this reason, the gift should not count towards your own or your child's eligibility for Medicaid, Head Start or Early Head Start.
- We have made specific arrangements with government officials so that the gift is NOT counted as income for when you apply or re-apply to the following federal or state programs:
  - Minnesota Family Investment Program (MFIP, also known as Temporary Assistance to Needy Families or TANF)
  - Diversionary Work Program (DWP)
  - Minnesota Supplemental Nutrition Assistance Program (SNAP, also known as food support or food stamps)
  - Child care assistance (CCDBG)
  - Public housing units operated by the St. Paul Public Housing Agency or Minneapolis Public Housing Authority
  - Minneapolis Section 8 Housing Assistance
  - Help with energy bills (LIHEAP, or Low Income Home Energy Assistance Program)
- This gift WILL be counted as income if you apply or re-apply for:
  - Supplemental Security Income (SSI) – the federal program designed to help the disabled
  - St. Paul Section 8 Housing Assistance
  - Woman, Infants, and Children (WIC) Food and Nutrition Service, with some exceptions (contact us for more information)

## 4 MyBaby

- Free or reduced-price school lunch or similar school food programs if the entire school does not receive free and reduced lunch through Community Eligibility and the program is provided based on family income. Contact the school directly to find out more.
- This gift MAY impact child support payments made to you in some, very limited circumstances. Individual cases could see a (likely small) increase or decrease in support if either party asks the court to modify child support payments.
- *If you move out of the state of Minnesota*, the money may be counted in determining your eligibility for all of the programs listed.

**We will share your full name, address, and date of birth with county departments to ensure this gift is not counted as income for when you apply or re-apply to the programs listed.**

If we determine that receipt of this gift is somehow harmful for many of the children or families in our study, then we will inform you of these findings, stop the research study, and give you the choice of whether or not to continue receiving the monthly gift.

The research team will help you with any problems or questions about how to report this income when applying or re-applying for these programs. The research team can also assist you with any problems you have using the 4MyBaby debit card. You can call or text Lauren Meyer, Project Director at Teachers College Columbia University, at [\(608\) 291-7359](tel:6082917359) or via email at [4mybabycard@gmail.com](mailto:4mybabycard@gmail.com). Please visit our website for up to date information: [4mybabycard.com](http://4mybabycard.com)

Please keep this copy for your records.

If you understand the information about the gift card provided in this letter, please sign below.

**Print Name:** \_\_\_\_\_  
**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Information to share with Minnesota public health departments:

**First Name:** \_\_\_\_\_ **Last Name:** \_\_\_\_\_  
**Street Address:** \_\_\_\_\_  
**City:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_  
**Date of Birth:** \_\_\_\_\_

You will receive text messages and/ or emails from the debit card company (Greenphire Inc.) and the research team regarding updates about the gift and the research. What works best for you:

- Email
- Text message

\_\_\_\_\_(initial) I do not want to receive texts from the debit card company. Please do not give them my cell phone number.

\_\_\_\_\_(initial) I do not want to receive emails from the debit card company. Please do not give them my email address.