

## **Legislative Commission to End Poverty in MN by 2020**

Group 2 – Financial and Developmental Assets

Facilitator: Christine Nelson

June 25, 2008 - Notes

### **Members present:**

Representative Morrie Lanning

Senator Michael Jungbauer

Senator Scott Dibble

Representative Neva Walker

Senator Steve Dille

### **Members absent:**

Representative Frank Moe

## **I. Itasca Project**

- “Financially Fit” program: changing employer behaviors to set a new community standard.
- Itasca is working with 23 Minnesota employers to encourage an organizational commitment to helping employees, especially those who are minorities, young and earn lower incomes, who are often not getting the full advantage of their benefits and are struggling financially. These employers are responding by promoting practical, focused actions that will help maximize the value of the benefits they provide to their employees and close the gaps in participation with their companies. Examples include increasing participation in retirement plans, with a focus on retail employees, and increasing participation in direct deposit.
- This group of employers is meeting monthly to share challenges/best practices.
- A problem some employees face is not getting paid because being banked and direct deposit is a requirement, limited access.
- Employers are talking to employees about barriers to direct deposit.
- The business community is a partner in ending poverty. Ending poverty will require a whole network from schools to businesses, to families to community-based relationships.
- There are models in other states of youth savings, youth business ownership and youth investing programs.
- Wells Fargo has a wonderful CD on how to bank for youth.
- Many of the 23 corporations have many part-time employees.
- What can we do as a commission, how can we help to get more employers and smaller employers involved in the Itasca Project’s work?

- These corporations are metro-centric, mostly large companies. Smaller companies would be a logical area of expansion: they could benefit more since they generally don't have the tools, resources, or staff time to think on this frequently.
- Individuals can make bad and ignorant decisions with their money.
- We can't expect employers to regulate employees to the nth degree, but they should have a role in educating, regulating and preventing their employees from making ignorant financial decisions.
- What is the difference in participation rates between opt-in and opt-out policies?
- One suggestion for Itasca was to take a look at offering employees short term loans (i.e. – two times paycheck amount, paid back over six months). Employers are already in relationship with their employees, taking away some of the risk.

## II. Asset Limits

- Asset limits and the predictability about qualifying for programs is very confusing for many families. Even hotline workers struggle with accurately applying asset tests.
- All asset tests exclude the value of a car, exemplifying the counterproductive nature of asset tests.
- Virginia and Ohio are the two states that have eliminated asset tests across the board, reasoning the administrative savings alone would be worth the change. VA and OH have *not* seen significant case load increases.
- It's a constant challenge to measure which policies are impacting case loads.
- Asset limits don't allow for savings and planning, and the individual that has planned leaves wealth and assets to the next generation. Asset limits work against goals.
- Stability for families is one goal of the commission, and asset tests serve to erode stability and add stress for families. How do very low income families get onto the first rung of the ladder??
- Some advocacy leaders urged the commission not to think in terms of incremental change with asset tests, but to think big and visionary. The committee process itself will likely force a more incremental approach, but the recommendations of the commission should be bolder. This is a rare opportunity for transformative policy.
- Some concern about legislators' reactions to an outright elimination of asset limits, and the potential for them to dismissive the poverty commission entirely if there is a feeling that the commission has gone overboard.
- In order to recommend elimination of asset tests, the commission would need very good supportive information and ammunition. Requesting a fiscal note might not be most helpful.

- The commission has an obligation that our ideals become reality – our charge is to provide a roadmap on getting there, which will require movement-building.
- Eliminating just the TANF asset limits in VA would increase spending by \$140,000 for 40 families, but save \$323,000 in administrative costs, resulting in a net savings.
- Disability and poverty are so closely linked – it’s important to engage the disability community in the commission.
- Credit plays a huge role, not just assets. Need to explore more.

### III. Housing

- Sen. Jungbauer is working to put together some documents on green housing, looking partially to Chicago as a great model for green housing policy.
- “Smart code”
- “Workforce Housing”: Important to look into as it ties housing to employment geographically, solves transportation problems through the proximity of work and living spaces.
- Green housing can be as simple as using recycled materials in construction projects. It makes sense economically to invest in green building with smarter building materials and outcomes of less maintenance, less vandalism, energy efficiency, lower long-term operational costs.
- What role can the state play? The state has control over building codes. We can force counties to enforce the building codes, though there would be county/local resistance.
- Stapleton, CO is a unique, highly successful planned community. It is a unique circumstance to build a 30,000+ person community within a modern, urban core (used to be old Denver airport). 10% is designated affordable housing, housing is becoming less accessible. Rosemount, MN is doing something similar to Stapleton.
- “Challenge Program” is incentives for employers to build green
- Need to support shelter facilities
- What are ways to incent communities to open up zoning, regulation
- Need more input from private sector folks
- How can good zoning, incentive and grants allow community employers who are having a hard time attracting and keeping employees in Pipestone? How can we use environmental solutions to bring down the cost of housing.
- What inflates the cost of building and operating affordable housing?  
(Michael Dahl and Sen. Jungbauer will continue to work on this question):  
1) local ordinance/zoning, 2) incentives, not mandates, 3) tax policy, 4) not able to build enough housing who out leaving current housing behind.

- Homeownership is enormously significant, but accessible to only those who are somewhat stabilized.
- How can we further support renters?

#### **IV. Other Issues**

- Building developmental assets for youth is working through the Search Institute's "Healthy Community Initiatives"--can these be expanded to a larger number of cities? Should the state provide incentives to participate?
- Is there a way to train teachers to use the assets model?
- Rep. Lanning will invite Dr. Peter Benson from Search to talk with the group at a future meeting
- Is it possible to use school buses to provide rural transportation, particularly to jobs? (Likely some liability issues here, might require tort reform)
- Explore shared ownership of vehicles or "Hourcar" programs, particularly for urban residents
- Is there a way to incent bicycle usage to work?
- Is there a role for more churches/non-profits to provide free auto care and maintenance?
- Should we provide basic car care and maintenance classes?
- Marriage/relationship education: is it still the case that therapists must make a mental health diagnosis in order to get paid for their services? This could be a barrier to helping couple preserve their marriage.
- Resurrect Sen. Dille's bill involving mentorship of Native American business leaders on White Earth, Leech Lake and Red Lake reservations to encourage locally-controlled investments