

Legislative Commission to End Poverty in Minnesota by 2020 Draft Recommendations

I. Achieving Economic Self-Sufficiency

Introduction

Ensuring low-income Minnesotans achieve economic self sufficiency is a difficult task. We acknowledge that not all low-income families and individuals are the same, requiring approaches that take into account people's unique barriers and circumstances.

Our group identified three broadly defined types of individuals who may be in need of supports:

1. Those working in low wage jobs where family income is insufficient to make ends meet;
2. Those in and out of work, needing various levels of assistance, from stop-gap help during temporary unemployment to more sustained assistance in finding and keeping work;
3. Those who cannot work due to disabilities or who are not expected to work because of age (e.g. elderly people without sufficient retirement income).

In addressing the needs of the above groups the Commission suggests the following principles be remembered:

- Work should be the primary means to reaching economic self-sufficiency. Jobs need to be available and those jobs need to pay an adequate wage.
- Policy makers should stop thinking about separate remedies for poverty and unemployment.
- Disincentives to work should be removed.
- Accountability needs to be redefined from paperwork that accounts for expenses to making sure that people are rising out of poverty.
- Those who cannot work should not be condemned to a life of poverty.

Section I. Education

Education at all ages is essential to keeping individuals and families out of poverty. Early childhood education holds the promise of giving children a strong start down the path of life-long learning. Furthermore, some studies show up to a 7 to 1 return on

investment in early childhood education. Therefore, the Commission recommends the following:

- a. Guarantee quality pre-school programs is available to all children from low-income families. Programs such as Head Start and Way to Grow that have proven track records for improving the academic performance of young children should be expanded.
- b. Educate parents of young children in the most effective methods for raising healthy successful children. Programs that provide new mothers with information upon the birth of their child are one method to begin the education process

The State Demographer testified on one of the Commission's hearings that over one-third (36%) of Minnesotans below the poverty line had not completed high school. Therefore, to improve high school graduation rates the Commission recommends the following:

- a. Increase youth access to school counselors
- b. Expand the Community School model, where there is stronger integration between schools and the social service delivery system.
- c. Expand career-oriented high schools, such as Anoka-Hennepin STEP, Dunwoody Academy, and Ubah Medical Academy.
- d. Ensure funds targeted for low-income students, such as Compensatory Aid, are appropriately targeted and expand such funds to meet the needs of all eligible students.
- e. Strengthen and expand out-of school programs for low-income children.
- f. Expand the use of interventions that have been proven to improve educational outcomes for low-income students, particularly improved teacher quality and improved family and community support, expanding learning time in and out of the classroom, and reducing class sizes in early grades.

We know individuals who receive at least one year of post-secondary education are far less likely to be poor than those who have not. Further, Minnesota's students need to have a more robust education to compete in a increasingly globalized economy. Because post-secondary education is negatively correlated with poverty, and to reflect the need for greater education in a global economy, the Commission recommends the following:

- a. Every young adult who graduates from a Minnesota High School be guaranteed two years of post-secondary education.
- b. To ensure that adults receive continuing education, we recommend that General Education Diploma (GED) programs work more closely with the Minnesota State Colleges and Universities (MNSCU) system to ensure adults in GED programs can move seamlessly into higher education and training programs.

Section II. Making work pay

For many workers in our state, working full-time does not mean self-sufficiency because their wage does not cover their family's economic needs. The Commission believes that the State must do everything in its power to ensure that those who work full time (and

those who cannot obtain full-time work) and use their earnings to provide for themselves or a family receive wages adequate to meet their basic needs. To the extent that “work pays,” families are spared the need for government programs and individuals build the lasting skills and personal dignity each of us has a right to expect. Therefore, the Commission recommends the following:

- a. Increase the minimum wage to level that would lift a single individual, working 40 hours a week to self-sufficiency.
- b. Increase the Working Family Credit or other tax credits for low income workers to a level that when combined with the wages of members of their household, they are able to meet their basic needs.
- c. Analyze the tax expenditures that accrue at different income levels to determine how they could be reapportioned to follow the principle that tax credits be available to taxpayers at all income levels. At the federal level under current tax expenditure policy, approximately 80 percent of tax expenditures go to filers with incomes above \$50,000. Strategies should be identified that might allow tax credits to be reallocated to families at lower income levels. Two possible approaches would be to 1) allow a diminishing percentage of federal income tax deductions count as Minnesota tax deductions as income rises, or 2) cap or reduce a single deduction that is used by families at high income levels, i.e. the mortgage interest deduction, and reallocate those funds to pay for tax credits aimed at low-income families.
- d. Work to increase wages for all low-paying jobs, through encouragement or incentives to employers, as well as by building workers’ skills and attracting businesses and industries that pay higher wages, so that workers are able to become self sufficient, and reducing the cost of public subsidies.

Section III. Developing a skilled workforce

A skilled workforce has higher productivity and demands higher wages in the economy. Further, globalization puts Minnesota’s workers in direct competition with workers all over the world, and a highly-productive, skilled workforce that utilizes the talents of all of the state’s workers is necessary for Minnesota’s economy to remain strong. Therefore the Commission recommends the following:

- a. Create a “structured jobs” program target for those with little job history or other barriers to employment. Such a program could also promote new industries or technology, such as “Green Jobs”.
- b. Help the lowest income people out of poverty with incentives to work by using their income supports as a wage subsidy rather than a living-in-poverty subsidy allowing public dollars to leverage private dollars.
- c. Expand job-training programs. Target these training programs to careers that have the likelihood of paying living wages and have advancement potential.
- d. Explore changes to rules that limit or prohibit those who receive disability entitlement benefits from participating in the workforce.

Section IV. Supporting people as they seek and maintain jobs and supplementing income for those with lower earning potential

- a. Combine the work support programs such as MFIP with unemployment, thereby eliminating the distinction between those whose poverty makes unemployment a greater crisis, and those who may be in a similar set of circumstances, but have more financial and social resources to cope. Rather than having persons out of work apply individually for various types of assistance, the case manager combines various revenue sources for which the client is eligible (unemployment insurance, food stamps, childcare assistance, energy assistance) to create a package of training, services and financial assistance for the client as appropriate.
- b. Revise eligibility criteria to eliminate “cliffs” and create a more effective package of supports for the family based on its needs.
- c. Seek federal waivers to combine supports or slow down the phase out of income subsidies in ways that remove disincentives to work.
- d. Provide income supports in the form of a combined account which can be withdrawn for specified purposes such as childcare, food, housing, transportation plus a portion that can be used for discretionary purposes. This would give families the opportunity to manage their budgets and find ways to solve their budgeting issues. Research shows that even small amounts of “discretionary” cash can help families past crises, and in doing so provide benefits such as reduced domestic violence and better performance in school for children.

II. Building Financial and Developmental Assets

Section I. Supporting and bonding for affordable housing programs and promoting and supporting homeownership.

Traditionally, the federal government has been the primary source of funding and tax incentives for affordable housing. However, since the late 1970's the federal government has dramatically decreased its role. We recommend the Federal government return to aggressively supporting affordable housing initiatives. The federal government can recommit to affordable housing in a number of ways; a few specific examples we recommend are:

- a. Increasing the number of Housing Choice ("Section 8") Vouchers to a level that will lead to meaningful access by households in need.
- b. Fully funding the gap of HRA operating costs for affordable housing
- c. Providing tax incentives for private investment in affordable housing.
- d. Encourage the federal government to meet its obligations to provide adequate operating subsidies for the upkeep and rehabilitation of existing public housing. Specifically, subsidies should be increased to accurately reflect ongoing maintenance and operating costs.

We've noted that there are often regulatory barriers that impede the development of affordable housing. We recommend a comprehensive examination of these barriers and where feasible, elimination of these barriers. Some examples of barriers include:

- a. Unnecessary zoning restrictions. – The state needs to take look at local zoning ordinances and specifically focus on those that impact the construction of low-income housing.

In the metropolitan area the Metropolitan Council requires that municipalities create a comprehensive plan that includes a discussion of how they plan to address the local need for low and moderate-income housing. To ensure that Minnesota's communities are addressing housing needs, the Commission recommends the following:

- a. We believe that all municipalities over a certain size should create similar plans. These plans should identify the affordable housing stock currently available, the number of low-income families living in the area and the number of low-income workers who work in the area. The plan should explain how any gaps between existing affordable housing stock and expected need will be addressed.

While the Governor has developed an initiative that hopes to address the needs of the long-term homeless, about four of every five homeless people are homeless for shorter periods of time, and they need emergency, transitional and other short-term housing options. To address the needs of those facing short-term homelessness, the Commission recommends the following:

- a. We recommend state government officials work together with advocates and interested parties to develop a diverse spectrum of housing and service options to quickly assist people experiencing homelessness back into housing. Some of the options may be as simple as changing zoning ordinances; other options may require more thought and financial resources.
- b. Immediate attention to address the current homelessness crisis is necessary. With Minnesota's harsh weather, the state should increase its funding for emergency shelters so that all Minnesotans have protection from the elements. Although homelessness shelters are urgently needed at this time, it is not acceptable to have people regularly sleeping on cots in church basements, and this recommendation is only to address the temporary need until the affordable housing shortage is addressed.

The State of Minnesota provides a variety of tax credits and subsidies to spur economic development. However, job creation is often divorced from consideration of the where the workers who hold those jobs will live or a community's transit needs. Therefore, to ensure the housing needs of workers we recommend the following:

- a. We recommend that when credits are given to encourage economic development, those applying for the credits or subsidies should be required to prepare a plan that outlines how affordable housing needs of workers required by the new job site will be met.

The mortgage interest deduction intends to make home ownership more affordable for Minnesotans, though some believe that it may be counterproductive over the long run. However, in recent years through home equity loans and other instruments, the deduction is helping to finance everything from second houses to boats and cars. Many low-income families are unable to benefit from the mortgage interest deduction because they are renters. While we believe it is desirable to move people to home ownership, we realize that many will continue to be renters for a variety of reasons. We believe it is important to allow renters to obtain comparable benefits so that they can build assets even if home ownership is unlikely. Therefore, the Commission recommends the following:

- a. The Minnesota Legislature should set up a taskforce to examine the following:
 - i. Whether the existing mortgage interest deduction is being used more broadly than was originally contemplated.
 - ii. The option of limiting the mortgage interest deduction, either by capping it or by limiting it to an individual's primary residence. Limiting the mortgage interest deduction would increase state revenues. Increased revenue could be useful to fund iii below.
 - iii. The feasibility of creating an asset building vehicle for low-income families. Such a program would create a refundable credit based upon the amount a family paid annually in rent. The credit would not be paid directly to an individual but would be placed in a 401k or similar asset-building instrument.

Section II. Providing consumer and financial education & promoting saving for future needs.

Many families fail to accumulate assets simply because they are unaware of certain basic financial realities. Raising income and reducing expenses will not move people out of poverty if they do not know how to manage money responsibly. Financial literacy programs provided by a variety of organizations have shown that providing age appropriate information on asset building, saving and spending can be an important method to eliminate or reduce the need for public assistance. As a result we recommend:

- a. Financial literacy education be incorporated into the curriculums of elementary and secondary public schools.
- b. Consideration of the option of requiring financial literacy training and counseling and, perhaps, the establishment of bank accounts as a condition for participation in assistance programs.
- c. Encourage the business, faith and non-profit communities to make available financial literacy programs or information on where such programs are available.

One key element in helping low-income families build assets is to protect them from programs and institutions that deplete their assets through fraudulent or unethical means. Our studies show that “Pay-day loans”, “Refund Anticipation Loans”, certain “Rent-to-own” and sub-prime loans, often charge exceptionally high interest or fees for services that can be obtained from commercial banks or credit unions at far more reasonable rates. Because of the impact these practices have on low-income families, we recommend:

- a. Some practices should be banned outright. For example in both Georgia and Pennsylvania “Pay-day loans” are banned by statute. In other states pay-day loans and similar loan products are subject to strict usury laws.
- b. Consumers should be given more, easy-to-understand information before entering into certain financial transactions. This may require additional disclosures and, in some cases, public information campaigns to warn consumers of the pitfalls of certain loan instruments.
- c. The business community should work to develop competing products that provide value to consumers at reasonable terms.
- d. Governmental institutions need to be vigilant in scrutinizing potentially predatory practices. The Minnesota Attorney General’s Office and the Minnesota Department of Commerce should take the lead in making sure adequate regulatory and enforcement actions are taken.

Certain Minnesota assistance programs require applicants to deplete all or a portion of their assets as a prerequisite to qualifying. For example those applying for Minnesota’s General Assistance Program can have no more than \$1000 in total assets. There is evidence that these asset draw-down requirements are counterproductive. In addition,

with low assets it is difficult to stay out of poverty since families have very little to shield them against any unforeseen challenge. Therefore, the Commission recommends the following:

- a. Minnesota should examine the value of eliminating or curtailing asset draw-down requirements.

Individual Development Accounts (IDA's) provide an easy vehicle for low-income families to build a financial nest egg. Minnesota's IDA program is known as Family Assets for Independence in Minnesota (FAIM). The FAIM program provides a 3 to 1 match of contributions from qualified low-income participants. The funds accumulated by FAIM participants can be used to cover the down payment for a home, capital costs for their creation of a business or to cover educational expenses. While the program is small, results have been encouraging. Results from the program for the period from October 1999 through December 2007 show:

- o Almost 2800 savings accounts were opened by participants.
- o Over 1500 completed financial education classes
- o 1.6 million dollars was deposited by participating families
- o 305 homes were purchased by participating families generating 29 million in home loans and property tax liability of over half a million dollars.

Currently the federal government matches the State in funding the FAIM program. An increase in state IDA funding could leverage substantial additional federal funding. Therefore we recommend:

- a. The state should expand IDA funding and programs, especially programs that provide financial literacy training and counseling. In particular, there are significant opportunities in targeted communities where the use of the FAIM program or other culturally specific IDA programs could significantly aid wealth accumulation among low-income families.
- b. Businesses should be encouraged to set up IDA accounts and financial literacy training for their employees, possibly with some employer matching funds or other incentives.

The idea of Baby Bonds has grown in acceptance. Great Britain launched a Baby Bond program in January 2005, and has handed out vouchers worth hundreds of dollars to parents with children born after Sept. 1, 2002. Time magazine has endorsed the idea of Baby Bonds, and more recently, Senator Hillary Clinton proposed a Baby Bond program at the national level. Locally, White Earth Indian Reservation embarked on its own Baby Bond program with local money. The local community development corporation invests \$500 in newborns and those funds, plus interest and the child's own additional contributions, are available for the children after they graduate from high school.

“Baby Bonds” refers to a concept that typically has the following characteristics:

- Upon the birth of a qualifying child, a predetermined amount of money is set aside in the child's name.
- The money set aside earns interest over a predetermined period
- The child becomes vested in the proceeds of the account invested at a specified age
- The account proceeds can only be used for specific purposes.

Minnesota should be on the forefront of helping all residents build financial assets for the future. Baby Bonds help create a tradition of saving and provide needed assets to low-income families at a time when children are struggling with decisions on post-secondary education. As a result the Commission recommends:

- a. Establish a Baby Bond program in the State of Minnesota. The program should include all children born in Minnesota and should limit use of the bond proceeds to post-secondary education expenses, home ownership, business creation or retirement income.

Section III. Building developmental assets for youth and reducing at-risk behaviors.

While poverty is often looked upon as the absence of financial assets, beneath the building of income or wealth are a set of behaviors that either encourage or discourage success. The Commission is convinced that by instilling and nurturing certain attributes in youth, we can set the stage for their positive growth. While there may be many ways of classifying youth development skills, and we do not believe it is the role of this Commission to endorse one particular program or methodology, the Commission believes that the Search Institute's 40 "Developmental Assets" encapsulates the behaviors we would like to support. Therefore the Commission recommends the following:

- a. State and local government officials should encourage the development of training programs that identify and promote developmental assets. Part of the encouragement should include small grants to local agencies to develop initial training and community engagement programs.
- b. The importance of the one-on-one relationship between youth and caring adults should be stressed. Special emphasis should be given to schools, parks, libraries and other institutions that interface with youth on a regular basis.
- c. The Commission recognizes the unique role the faith community plays in strengthening youth, and we urge the faith community to work with government and others to create and implement youth strategies.

During the Commission's "Listening Tours" we often found that by linking residents currently experiencing poverty to supportive members of the community, residents in need often receive support they require to resolve their issues and escape poverty. In addition, we believe community support is instrumental in keeping people out of poverty or reducing the duration of their poverty. Programs like Northern Connections, Horizons, and Community Action's Circles of Support are examples of effective community

support programs. These programs are not alone but they give us proven methodologies to expand or build from. The Commission recommends:

- a. State and local government officials should encourage the development of training programs that build community support systems. Part of the encouragement should include small grants to local agencies to facilitate the development of these programs.

While Minnesota has a low overall teen-pregnancy rate, a close look at the numbers is more troubling. First, let us note a few basic facts regarding adolescent pregnancy rates in Minnesota:

- With regard to white females, Minnesota has the second lowest adolescent pregnancy rate in the nation. However, with regard to African American, American Indian and Latina adolescents, Minnesota ranks among the highest pregnancy rates in the nation.
- In 2001 families started with a teen birth accounted for 53% of Minnesota's welfare expenditures.
- A teen mother, especially one who is unmarried is likely to live in poverty.

While conversations around teen pregnancy are often divisive, health care professionals have consistently argued that to make dramatic reductions in the teen pregnancy rates we need to focus on:

- Access to confidential health services
- Education
- Programs that support learning opportunities during out of school time.
- Programming needs to be culturally sensitive and targeted to those communities that have demonstrated high teen pregnancy rates.

Therefore, to reduce adolescent pregnancy rates the Commission recommends the following:

- a. While the Commission understands the controversy surrounding "Sex Education," it is clear that education must be a key component to any teen pregnancy reduction strategy. In many cases, parents speaking with their children is sufficient. In other cases the educator may be a teacher or member of the clergy. While parents ultimately must decide who will provide the education, the need for education is without question.
- b. The state should assist in the funding of school-based clinics, community based teen clinics and clinics that primarily serve adolescents to ensure adolescents have access to confidential services.
- c. As noted in Section III on "Building Developmental Assets for Youth and Reducing At-risk Behaviors," adults need to work in a concerted way to build the "developmental assets" of young men and women. In particular, we believe that

- through the early identification of young people who show indications of low self esteem or who have exhibited risky behaviors, we can implement intensive intervention strategies. These strategies might include one-on-one mentoring, after-school enrichment programs or community-based programs that utilize the Search Institute's 40 Developmental Assets.
- d. For young men and women who are already parents, support systems need to be available to ensure these young men and women are successful in raising their child and in their own lives. Particular focus should be given to ensuring:
- Support programs are available to allow young parents to stay in school and obtain a high school diploma and the additional education and training they need to succeed.
 - Young parents have access to child rearing training.
 - Non-custodial parents are often neglected. Government has often focused on the non-custodial parent as a source of resources for the child and not as someone with the full responsibility of parenthood. Non-custodial parents should be fully informed of their rights as well as their responsibilities, and efforts should be made to get both parents to work together on behalf of the child.

Section IV. Meeting individual and community transportation needs.

Transportation is essential for individual and family success, alongside food, clothing, housing, healthcare, social connections, and access to resources and education. In fact, the lack of transportation creates insurmountable barriers to accessing other basic needs.

In all of the tours and public discussions the Commission participated in, whether in rural areas, regional centers, or the metropolitan area, transportation was repeatedly articulated as a key problem.

When transportation is unreliable, problematic, or non-existent, the prospect of becoming trapped in poverty increases greatly. The Commission heard numerous stories of families forced to devote significant portions of their budget to fixing and fueling old cars, or being disqualified from assistance programs when they earned extra money to make a repair. Others spoke of untold hours waiting for rides from fixed route transit and para-transit services, being unable to cross county lines, severe restrictions on hours and days of service, and confusion about how to access appropriate transportation for a particular type of trip. Many were not able to get to jobs, appointments, or family and community engagements and were severely isolated. Service providers reported on the expense of purchasing vehicles to compensate for the lack of transportation service in their communities. Seven counties in Minnesota have no transit service whatsoever.

The mode of transportation that works best for a given individual, a particular community, or a specific type of trip can vary widely. In light of these facts, we recommend the following:

- a. Minnesota should give priority to ensuring access to transportation by low-income, senior and disabled residents. Other states and metropolitan areas have successfully tackled this problem and offer best practice models. In areas where there are transit options this might mean:
 - Keeping transit fares at an affordable level, with subsidies if needed.
 - Eliminating service gaps and service overlaps, inefficient use of resources, and inferior or inconsistent quality of service.
 - The State of Minnesota should consider creating a state-level commission, as other states have done, that has power and resources to mandate better planning, integration and coordination of the transportation needs of low-income, disabled and senior citizens.
 - Aligning Minnesota's economic development strategies, land use policies, and transportation investment planning to achieve this goal. When transportation systems function optimally for the larger community, the transportation disadvantaged benefit as well.
- b. In rural areas Minnesota faces a more difficult task. The lack of density in rural areas makes some regular route transit services impractical. However, the Commission has been impressed with the value of programs such as:
 - Non-profit programs that sell cars to low-income households for minimal cost. Many of these programs also provide low-cost car repairs. These programs, when coupled with access to financial services and insurance, gas cards or discounted fuel, and driver training and licensing can be very successful in giving rural resident access to jobs and services.
 - Expansion and coordination of human services transportation, fleets and dispatching, from both private and public agencies, should be expanded and coordinated to provide alternatives for rural residents.
 - Regular route transit service should be established where feasible and beneficial.
- a. Explore innovations in cooperative ownership of automobiles (occasional access to a vehicle without having to pay full ownership) such as ZipCar and HourCar. This idea works best when individuals have access to other means of mobility for most purposes.
- b. Engage employers and the business community to:
 - Support better public transportation.
 - Locate workplaces in proximity to housing and transit and other important community resources.
 - Provide special transportation to worksites where needed.
 - Support telecommuting or other programs to enable employees to work at home.

Section V. Inspiring people to assume personal responsibility

The Commission has had the privilege of traveling across the State of Minnesota and conversing with families in poverty. We found the vast majority of poor adults to be hard working, often at two or more jobs, and fighting hard to raise themselves out of poverty despite numerous challenges. However, these challenges can be minimized by making

certain personal decisions. Having a child out of wedlock increases the chances that that single parent-headed household will be poor. Leaving high school without a diploma increases the chance that an individual will be poor. Being convicted of a felony hinders one's ability to find employment and often results in poverty for the ex-felon.

Psychological literature often refers to the "Locus of Control". Locus of Control refers to a person's perceptions of the underlying causes of events in his or her life. Put simply, it refers to whether a person believes their destiny is controlled by *them* or by *external forces*. Government, non-profits, for-profits, the faith community and others all have to play a role in helping encourage positive behaviors and discouraging negative ones. However, all sectors must work cooperatively to foster the knowledge that, to a large degree, individuals have control over many of the factors determining their success or failure. In keeping with this attitude the Commission makes the following recommendations:

- a. Government has the right and even the responsibility to encourage citizens to make positive choices.
- b. Every individual, regardless of background, should have the opportunity to move into the economic mainstream.
- c. Government should support and reward initiative. Programs and rules that penalize asset accumulation (asset drawdown requirements), or remove benefits too quickly when recipients venture into the job market (benefit cliffs), or diminish personal development (education limits) should be avoided.

III. Removing Barriers and Obstacles to Rising out of Poverty

Introduction

We see that poverty robs the state of social and economic benefits by inhibiting the full participation of all Minnesotans. We believe that every person has inherent dignity and has potential to contribute to building strong communities and a strong state. While the demographics show that certain pockets of the population are disproportionately prone to become, and stay, impoverished, we have found that no one is immune from poverty, and that the needs of people in poverty are the same as those of all Minnesotans. The disparities caused by poverty weaken our abilities to build strong communities and a stronger Minnesota. By building awareness about the ways in which poverty and disparity hinder our mutual prosperity, we believe Minnesotans will embrace solutions to address poverty in their own families and communities

Section I. Eliminating racism and sexism

- a. We recommend that the Minnesota Legislature, in conjunction with the Minnesota Councils of Color, Minnesota State Council on Disability, and the Office on the Economic Status of Women, adopt a "disparities impact statement" process for any proposed legislation, in order to determine how legislation contributes to either eliminating or increasing poverty in Minnesota. This process would be informal, and could be requested by any legislator on any piece of legislation.

Section II. Meeting health needs

We see that a major reason people fall into poverty is because of health care incidents and the high cost of care. In fact, health care-related bankruptcies exceed the number of bankruptcies from all other sources combined. We also see that the most significant barriers to people getting out of poverty are health problems – whether mental or physical illness or injury, or physical, mental, or emotional disability. These health-related barriers make it difficult for people to function on a daily basis (prepare food, do laundry, pay rent, raise their children) let alone hold down a full-time job. Further, the wide variation of health care costs from person to person – in many cases among those who are already insured – means that allotting a specific amount of money to pay for an individual or family's health care expenses is an unrealistic way of calculating how much money a person needs to escape poverty. We also see that the lack of treatment for such barriers is a significant loss of productivity to our state economy. Therefore, we recommend the following:

- a. We recommend that Minnesota ensure that all Minnesotans receive the health care they need to participate as fully as possible in our society, so that illness or disability is minimized as an obstacle to work and self-sufficiency. In addition, we recommend that Minnesota ensure that this access to health care is affordable to all, regardless of the level of care needed. Although it is not the task of this commission to figure out *how* to accomplish the challenge of making sure that comprehensive, affordable health care is affordable for all, it must be done for the

commission to complete its mission. Unless all Minnesotans have affordable access to the health care they need, we cannot end poverty.

Section III. Improving mental health and chemical dependency treatment.

- a. We recommend that a statewide training initiative be established to train community members how to recognize mental illness and chemical dependency, and to effectively intervene in a crisis in order to get professional help for those who need it. This initiative will be implemented through community education, faith communities, and other organizations. Because poverty, chemical abuse and/or mental health concerns, and crisis often go hand-in-hand, we believe this recommendation will address the needs of a critical, large segment of Minnesotans currently in or nearing poverty.

Section IV. Providing affordable and quality childcare.

- a. We see that a significant barrier to employment for all families is access to affordable, high-quality child care and that many families have to make the difficult choice on whether or not to work, based on the availability of child care. Meeting families' needs for affordable, high quality child care will benefit all families and have a major impact on reducing poverty in Minnesota. We recommend Minnesota provide a guarantee of child care for all low income families.

Section V. Enacting Public Policies that Support Families and Keep Them Together.

We see that support and caregiving for those in need can often be done most effectively and efficiently by families and communities when they are properly supported to do so. We also see that sometimes, current intervention strategies discourage families and communities from providing needed care and support for those around them. We believe that intervention strategies should strengthen a web of support that begins with family and community-centered caregiving wherever possible. We believe that family and community-centered interventions should be available for all individuals and that existing publicly-funded case management services will be available alongside new or enhanced community-centered supports whenever those supports are insufficient or ineffective for an individual. By supporting family and community-centered support, the state of Minnesota can more effectively help individuals move out of poverty, avoid slipping into poverty, and use public resources as efficiently as possible. In addition to having direct impact on serving those in poverty, these strategies further strengthen Minnesota communities and contribute to stable and supportive communities throughout the state. Therefore we recommend the following:

- a. We recommend that individuals receiving or seeking assistance be encouraged to have, if desired, a designated advocate to help them navigate and access needed services. This individual can be a family member, friend, community volunteer, or professional case manager, and would be formally recognized by service providers and government programs and agencies as an individual able to assist with a particular case. Advocates will be supported by communities with training and guidance. Consider establishment of a network of statewide telecounselors to

assist individuals attempting to access needed services. The expectation would be that all people struggling to escape or avoid poverty would have access to an advocate to assist them.

- b. We recommend that marriage and family counseling is accessible through insurance coverage or other means, allowing couples and families access to the tools and support they need to stabilize their family. We also encourage other forms of support for families and caregivers (e.g., respite care, adult day care, etc.) be made available to ensure that all those in caregiving roles have access to needed support.
- c. We encourage a review of how individuals are compensated with public funds for various caregiving roles (e.g., foster parenting, guardianship, etc.) and recommend that caregiving be compensated when necessary and appropriate; and, that such compensation be equitable regardless of the relationship between caregiver and individual in need.

Section VI. Improving public awareness about the causes and solutions for poverty.

- a. We recommend a public awareness campaign to educate Minnesotans about the causes of poverty, and consequences that poverty has not only on individuals, but for the community at large. The goal of the campaign would be to correct misinformation about people affected by poverty and to suggest solutions that will help Minnesotans fight poverty in order to build strong, healthy communities.

Section VII. Engaging all sectors of society in enacting solutions for ending poverty.

- a. We need to engage the entire state, with all people working together to overcome poverty. Overcoming poverty requires the commitment of both private and public resources. Alliances are needed between the faith community, nonprofit agencies, government, business and others with a strong commitment to eliminating poverty. This work involves both acts of direct service to alleviate the outcomes of poverty and advocacy to change those structures that result in people living in poverty.

Section VIII. Improving rehabilitation and re-entry programs.

- a. We recommend community-centered implementation of program services and policies that address barriers which keep ex-offenders from getting housing, employment, and other necessities to keep them out of poverty and prohibit them from contributing fully to the community. Specifically, we recommend:
 - Providing parole officers with the time and resources to enable them to spend more time with parolees and support them in meeting their employment, housing, transportation, and other needs
 - Implementing the recommendations of the Collateral Sanctions workgroup from 2007, as further recommended by LCEP

- Providing some type of assurance to employers regarding ex-offenders' fitness and reliability for work in the form of a rehabilitation report, certificate of employability or training, or insurance bond.

Section IX. Ensuring welfare policies support families and create incentives for moving off public assistance.

We see that Minnesota's service systems, in and of themselves, sometimes contribute to people staying in poverty and struggling to become fully independent. We see that individuals seeking service are confronted with confusing, duplicative, and often inefficient access points to needed services. We see that eligibility levels vary widely from program to program and their rigidity is a barrier to people struggling to become self-sufficient. We believe that the success of our service systems must be measured by our ability to move individuals and families out of poverty. We also believe that services are a means to helping people move out of poverty and must therefore be accessible and integrated in order to meet more quickly and efficiently meet those goals. Therefore recommend the following:

- a. We recommend the development of one integrated, comprehensive process for determining eligibility and making application for services across publicly-funded programs for individuals in poverty. This process should be accessible to individuals electronically with computer software such as the Benefit Bank, or on paper with individual personal assistance and accessible throughout the state at a network of public, nonprofit, and/or community-based locations. We recommend that program eligibility criteria be revised to ensure that initial eligibility for needed services is more uniform; and, that gradual growth in income and assets does not penalize individuals or create "benefit cliffs" that discourage income and asset growth.
- b. We see that gainful employment is, for many Minnesotans, the sustainable solution to moving out of, or avoiding, poverty. We recommend support and strengthening for services and programs which address employment barriers for individuals. ; Specifically, we recommend: a) providing supports to employers so that they can more successfully employ a diverse workforce (Itasca model); b) promoting and disseminating career information and career laddering information; and, c) providing job training and support to help workers get jobs and be productive in those jobs. We encourage such programs to focus on serving both people in poverty and those at risk of falling into poverty.