

**Senator Berglin introduced--**

**S.F. No. 769: Referred to the Committee on Finance.**

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A bill for an act

relating to human services; appropriating money for  
the new chance program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [NEW CHANCE PROGRAM APPROPRIATION.]

\$280,000 is appropriated from the general fund to the  
commissioner of human services for the biennium beginning July  
1, 2005, for a grant to the new chance program. The new chance  
program shall provide comprehensive services through a private,  
nonprofit agency to young parents in Hennepin County who have  
dropped out of school and are receiving public assistance. The  
program administrator shall report annually to the commissioner  
of human services on skills development, education, job  
training, and job placement outcomes for program participants.

**IT'S THE "START"  
THAT "STOPS"  
MOST PEOPLE!**

**EMPLOYMENT ACTION CENTER  
IS COMMITTED TO UNDOING RACISM  
AND PROMOTING DIVERSITY.**

**NO ROOM  
FOR RACISM**

## **EMPLOYMENT ACTION CENTER**

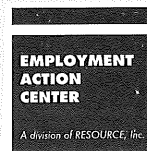
For over 25 years, Employment Action Center has provided employment and training services for adults and youth. EAC provides eight customized youth and young parent programs:

- Bright Futures
- Computer Technology Center
- First Opportunity
- Fresh Start
- Harrison Neighborhood Project
- New Chance
- Young Dads
- Youth Futures

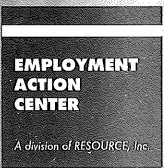
**The Youth & Young Parent  
Programs of EAC serve over  
1,000 youth a year.**

### **NEW CHANCE**

900 So. 20th Ave. 710 W. Broadway  
Minneapolis, MN Minneapolis, MN



[www.eac-mn.org](http://www.eac-mn.org)



[www.eac-mn.org](http://www.eac-mn.org)

# NEW CHANCE

is a program for young parents ages 18-26 who are receiving MFIP assistance and who want help finding employment. We will help you get job training, day care, a bus card or tokens, and other things you need to get a good job.

To get into the program, you need to:

- BE 18-26 YEARS OLD
- HAVE AT LEAST ONE CHILD
- BE REFERRED BY HENNEPIN COUNTY

EMPLOYMENT  
ACTION  
CENTER

A division of RESOURCE, Inc.

WE CAN HELP  
WITH...

HOUSING ASSISTANCE  
(LIMITED)

A GED

EDUCATION

PARENTING  
CLASS

HEALTH & NUTRITION

A JOB

PEER SUPPORT

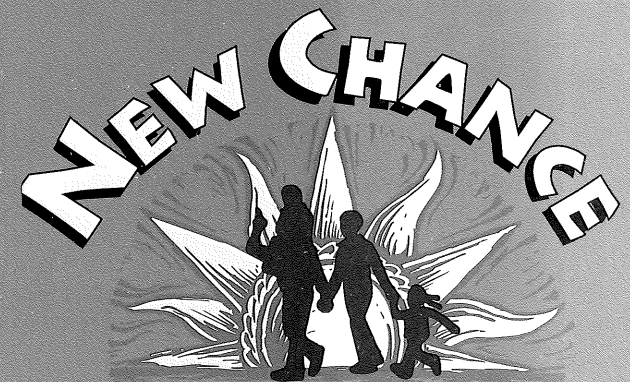
CHILD CARE ASSISTANCE

TRANSPORTATION  
ASSISTANCE

CLOTHING  
FOR WORK

CAREER  
COUNSELING

FAMIL OUTINGS



## YOUNG PARENT PROGRAM

900 So. 20th Ave.    710 W. Broadway  
Minneapolis, MN    Minneapolis, MN  
(Call or walk in)    (By appointment only)

CALL  
(612) 752-8800

These services are funded by the State of Minnesota, Hennepin County, and community foundations.



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Edina, Minnesota 55439-2523

888.539.9876/Fax: 888.492.6614  
952.918.1100/Fax: 952.918.1115  
www.harleysvillegroup.com

Mailing Address:  
P.O. Box 1167  
Minneapolis, MN 55440-1167

March 15, 2006

New Chance Young Parents Program  
Attn: Hiatia Smalls  
900 20<sup>th</sup> Avenue South  
Minneapolis, MN 55404

Re: New Chance Young Parents Program

To Whom It May Concern:

My name is Jaini G Fryer and I am a mother of 5 children. I came to Minnesota December of 1995, I was sixteen and at the time and had two children. I had no idea how I was going to get an education, obtain employment and become self sufficient with the lack of education, work history and housing. I was introduced to New Chance Young Parents Program shortly after my arrival to the city. I was able to get the help that I needed with first obtaining my GED, my counselor introduced me to a world I did not think I could live let alone survive without basic education. She helped me get into classes, helped me with the payment of the test, and I completed my GED June of 1996. This was just the beginning of the world I now live in. I am proud to say that the time I spent with my counselor was beneficial. I am living testimony that if you apply your self and let people help you; you can obtain your goals. There were so many things that I was able to obtain with the help of the staff at New Chance Young Parents Program, it's like they had faith in me when I was not completely sure I could be self sufficient. Since then I have went on and completed some college, I now have five children and reside in a fairly nice community something I did not think would be possible with the surroundings I have come from. I have a very nice paying job that I am proud of and committed to, I can say that I am self sufficient and it was due to the help I received with New Chance Young Parents Program.

For some this may not be the story, meaning not all apply their self, but if it was not for New Chance I would not be writing this letter. My fears when writing this letter is that someone will need the help that I received and it will not be possible, because of funding and budget cuts. Please take in consideration as a whole what the agency is able to do for many moms and dads that depend on the help of this organization. They are able to assist in helping people become self sufficient.

I am unable to attend in person as I am working, and not able to take off. Never have I imagined that I would be in a situation where I would have a career that I am committed to this is also what New Chance has instilled in me **Commitment**. Commitment to achieve your goals with options and opportunity. I was informed that there was a way out that I had the opportunity to become self sufficient as long as I made a commitment to stay committed and want a better life for me and my children.

Very truly yours,

Jaini G Fryer, WC Specialist  
**Midwest Claims Service Center**  
(952) 918-1100 or 1(888) 539-9876 Extension 1336



Discover your potential...Achieve your dreams

# Employment Action Center

Welfare-to-Work Programs

## The New Chance Program

New Chance was developed to provide young moms on welfare (18-26) the needed support and guidance this specialized population requires. Through surveys and evaluations, this specialized population has testified that their success in leaving welfare is due to New Chance.

In 1989, the State of Minnesota established New Chance as part of a national demonstration for teen mothers who were high school dropouts and receiving AFDC (which is now known as TANF). Employment Action Center, a division of RESOURCE, Inc., was one of the 16 service providers nationwide selected to implement the New Chance Program and the only site in Minnesota. Since 1992, the State of Minnesota has continued to fund the program, although at a reduced level in recent years.

Under the new Welfare Reform laws, the MFIP participants are required to join the workforce immediately. Without specialized services, young parents are not successful under welfare reform. This group has the highest sanction rate and only 15% have gone to work under MFIP. Employment Action Center's 29 years of providing services to low income, disadvantaged people reveals that very young parents from impoverished backgrounds absolutely need support services in order to provide a stable family environment. New Chance is a comprehensive parenting, health service, education and employment program for young mothers between the ages of 18-26 and all are receiving MFIP. Participants primarily come from the Phillips, Powderhorn, and Hawthorne neighborhoods of inner Minneapolis.

**Powderhorn Neighborhood:** 21.3% living below poverty  
32.5% of households have children  
16.7% are single parent families with children under 18

**Hawthorne Neighborhood:** 43.6% living below poverty  
47.5% are households with children  
30.5% are single-parent families with children under 18

**Phillips Neighborhood:** 37.9% are living below poverty  
34.1% are households with children  
20.3% are single-parent families with children under 18

[www.eac-mn.org](http://www.eac-mn.org)

900 20th Ave. S., Minneapolis, MN 55404 / (612) 752-8800 Fax (612) 752-8801  
3200 Penn Ave. N., Minneapolis, MN 55412 / (612) 752-8500 Fax (612) 752-8501  
5701 Shingle Creek Parkway, Suite 100, Brooklyn Center, MN 55430 / (612) 752-8900 Fax (612) 752-8901  
2626 E. 82nd St., Suite 370, Bloomington, MN 55425 / (612) 752-8940 Fax (612) 752-8941  
6715 Minnetonka Blvd., Suite 212, St. Louis Park, MN 55426 / (612) 752-8400 Fax (612) 752-8401  
1612 Como Ave., St. Paul, MN 55108 / (612) 752-8888 Fax (612) 752-8881

An Equal Opportunity/Affirmative Action Employer

These neighborhoods have a high teen pregnancy rate, high school dropout rate, unemployment, families living in poverty, drug commerce and usage, and incidents of violence. New Chance developed services to assist teen moms with education, employment, parenting and life skills, limiting future pregnancies, learning good health practices, and transitioning off welfare. The New Chance program model offers these young parents a comprehensive mix of services within a setting that is both supportive and demanding.

## **Program Components**

- Intensive Case Management and follow-up services
- Job Seeking and Job Keeping Skills
- Life Skills (self-esteem, financial planning, domestic violence, etc.)
- Parenting Classes (child development, school readiness, nutrition, etc.)
- On site GED classes
- Supported Work Program
- Pregnancy Prevention
- Education and Vocation Planning
- Housing Services
- Childcare and Transportation Assistance
- Family and Community Activities
- 

## **The Success of New Chance**

**During January 2005 to December 2005 the New Chance Program:**

- *Served 133 teen moms*
- *41% got jobs at an average wage of \$9.07 hour*
- *Average wage exiting the program was \$10.63 hour*
- *94% maintained employment for 90 days*
- *75% maintained employment for 180 days*
- *92% did not become pregnant*
- *100% had access to parenting, pregnancy prevention and child enrichment classes*

## New Chance Program Demographics

Total Served 2005: 133

Female: 119

Male: 14

African American: 87 (63%)

Multi: 6 (5%)

White: 26 (20%)

Hispanic: 2 (2%)

Native American: 10 (8%)

Asian: 2 (2%)

**85% are members of a Single Parent Household**

**44% are High School Dropouts**

**62% of current New Chance participants that were High School Dropouts are enrolled in GED classes**

**Employed Part-time as of 12/05: 17 of 69 currently enrolled (25%)**

African American: 15 (88%)

Asian: 1 (6%)

Native American: 1 (6%)

White: 0 (0%)

**Employed Full-time as of 12/05: 18 of 69 currently enrolled (26%)**

African American: 15 (83%)

Native American: 1 (6%)

White: 2 (11%)

**Clients reaching self-sufficiency in 2005: 21**

African American: 15 (71%)

Native American: 1 (5%)

White: 5 (24%)

The study, "The issues behind the outcome for Somali, Hmong, American Indian, and African American welfare participants", the most recent study conducted by the Wilder Foundation published in 2003, indicates that, "Minnesota is one of the fastest growing states in the Midwest and Northeast, and its minority population is among the fastest growing in the country, concentrating in and around Minneapolis. Of participants in Minnesota's welfare program in July 1998, 27 percent of the Whites were still on MFIP in June 2001, compared to 47% of American Indians, 47 percent Blacks, 44 percent of Asians, and 30 percent of Hispanics."

“Participants from all four cultural groups tend to be consistent with, and often refer to, backgrounds of chronic poverty and stress, high incidents of various disabilities among participants and their spouses or children, mental illness and decreased self-confidence, low educational preparation, no formal work experience, little knowledge of how to look and apply for jobs, unfamiliarity with the expectations of the workplace, challenges with childcare, poor health, large families and difficulty with communication or complex instructions (including the welfare system). **The study strongly indicates, “The relationship they establish with an individual job counselor plays a significant role. It shapes their attitude towards MFIP, the amount of effort they invest in cooperating with its expectations, their perception of its fairness, and their success in meeting MFIP’s goals of employment and exit”.**

The New Chance model offers a mix of comprehensive services, intensive case management and group workshops that strengthen a participant’s individual support for progress towards self-sufficiency. With these services, many young moms are able to set personal and educational goals to help stabilize their lives and the lives of their children, and build new skills to improve their economic and family situation. New Chance staff sees the positive results the workshops, case management and support services have on program participants. It was important for participants to see themselves and their families living on the other side of poverty. The encouragement, consistency and support offered by staff help build self-esteem and assists participants to complete their education and secure employment.



**The US Census Bureau**, March 1996, Poverty Rate By Educational Attainment;

31% High School Dropouts  
11% Just High School Degree  
7% Some College  
3% College Graduates

**“The National Campaign to Prevent Teen Pregnancy”** fact sheet indicates;

- 4 out of 10 women become pregnant at least once before they reach the age of 20
- Teen mothers are less likely to complete high school (only 1/3 receives a high school diploma and only 1 ½ percent have a college degree) and are more likely to end up on welfare.
- They are more likely to have serious health problems themselves, such as hypertension, anemia and STD's.
- The children of teenage mothers have lower birth weights and are more likely to perform poorly in school and are at greater risk of abuse and neglect.
- The sons of teen mothers are 13% more likely to end up in prison while teen Daughters are 22% more likely to become teen mothers themselves.

**Minnesota Department of Health and Family Support:** “The pregnancy rate for 15-17 year olds in Minneapolis is over 3x higher than the rate in suburban Hennepin County and 2 ½ x higher than in Minnesota . The pregnancy rate for 18-19 year olds is 1.5x higher than the rates in suburban Hennepin County and Minnesota.”

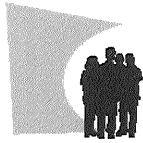
This report also indicates:

- Teen girls who become pregnant are less likely to graduate from high school
- More likely to be single parents
- Live in poverty, have experienced sexual abuse, and depend on welfare programs
- The infants are more likely to die before their first birthday than infants of adult women.
- Children of teen parents have poorer health outcomes, lower cognitive development, worse educational outcomes, higher rates of behavioral problems and **higher rate of teen childbearing themselves.**

**The teen pregnancy rate among African American women in Minnesota is the highest rate in the nation, with Latino/Hispanic women in Minnesota, the second highest rate in the nation.**

**Hennepin County Preventing Teen Pregnancy:**

- Between 1,200 and 1,400 teenage girls give birth in Hennepin County each year. **29% of the births to teens in Minneapolis were to girls who already had a baby – repeat teen births.**
- 55% of all families receiving MFIP in Hennepin County began with a teen giving birth.



## Community Health Centers— Part of Minnesota's Health Care Safety Net

### Member Clinics

*Cedar Riverside People's Center  
Minneapolis*

*Community University Health Care Center,  
Minneapolis*

*Family Health Care Center  
Moorhead*

*Fond du Lac Tribal Health  
Services, Cloquet*

*Fremont Community Health  
Services, Minneapolis*

*Hennepin County Health Care for the  
Homeless, Minneapolis*

*Indian Health Board of  
Minneapolis*

*Leech Lake Tribal Health Services  
Cass Lake*

*Lake Superior Community Health Center,  
Duluth*

*NorthPoint Health Services, Inc.  
Moorhead*

*Native American Community Clinic  
Minneapolis*

*NorthPoint Health & Wellness  
Minneapolis*

*Open Cities Health Center  
Saint Paul*

*Sawtooth Mountain Clinic  
Grand Marais*

*Scenic Rivers Health Services  
Cook*

*Southside Community Health Services,  
Minneapolis*

*United Family Practice  
Saint Paul*

*West Side Community Health Services,  
Saint Paul*

**www.mnachc.org**

**1113 E. Franklin Ave.  
Suite 211  
Minneapolis, MN 55404**

**612.253.4715  
info@mnachc.org**

### CHCs and the Uninsured

Minnesota's Community Health Centers (CHCs) are located throughout the state in federally designated Medically Underserved Areas. The communities they serve may be urban, rural, tribal, or migrant and are home to disproportionately high numbers of low-income, uninsured residents. Minnesota's CHCs serve 129,000 patients per year, of which 48,400 are uninsured. The typical patient mix at a typical CHC consists of:

- **39% Uninsured**
- **37% Covered by MN Health Care Programs**
- **19% Commercially Insured**
- **5% Covered by Medicare**

### Increasing Numbers of Uninsured

2004 was a significant year for CHCs in Minnesota since the number of uninsured increased 12 percent over the previous year. Moreover, 2004 marked the fifth consecutive year that the number of uninsured patients using CHCs increased.

- During the 1999-2004 time period, the average annual change in the number of uninsured grew by 8 percent per year.
- During that same time period, the average annual change in the number of uninsured children grew by 3.8 percent per year.

At the same time, patients covered by private insurance and public programs such as Medicaid, MinnesotaCare, GAMC and Medicare decreased in 2004 relative to 2003.

### Cost of Serving the Uninsured

The cost of serving the uninsured has sky-rocketed in recent years. From 2002-2004, the cost of serving the uninsured increased 24 percent — from \$14.8 million to \$18.4 million. This represents, on average, 29 percent of a typical CHC's operating budget.

CHCs receive annual federal grants to subsidize uninsured care. In 2004, they received \$9.6 million. Those grants have been flat-funded for several years and have not kept pace with the need.

Health and Human Services Budget Committee  
Testimony 3/16/06

Good Morning Madame Chair and Members of the Committee. My name is Mavis Brehm, Executive Director of West Side Community Health Services, a community clinic organization with its home base on the West Side of St. Paul. I would like to give you a sense of the environment that my community health center is operating in today.

First – some quick facts. West Side Community Health Services - better known as La Clinica on the West Side - has been providing affordable health care for low income residents of St. Paul for over 35 years. Over that time, we have responded to changing community needs by strategically locating clinics in the neediest neighborhoods, and have become experts in increasing access to health care and related services for Latinos, Hmong, adolescents, homeless, and immigrants. We do this by providing comprehensive primary care and systematically breaking down barriers related to trust, cost, location, culture and language.

- In 2005, we served 35,620 patients at 21 medical and dental clinic sites.
- Roughly 84% of our patients are Asian, African American, American Indian or Latino. 52% (18,200) are Latino – the single largest group we serve.
- 83% have incomes below 200% of poverty.
- 52% do not have health insurance; 29% are enrolled in Medicaid, MNCare or GAMC. Only 16% have private insurance.
- 54% have a primary language other than English.

A large part of the metro's rapidly growing Latino population call La Clinica their "medical home." Having a medical home is critical for new immigrants, as well as for populations facing some of the widest disparities in health status, in access to care, and in the quality of care received.

Foremost of our challenges is the growing number of uninsured patients. From 2001 to 2005, this number increased by almost 100%, from 9,300 to 18,550. Without question, West Side is on the “front lines” of the growth in the uninsured in Minnesota.

We have been highly successful in fulfilling our mission, and are grateful that the community views West Side as an affordable and accessible place for medical, dental and mental health care. This success, however, comes at a cost. In 2005, \$7.8 million of care was provided to the uninsured. To cover this cost we collected \$600,000 from patients on our sliding fee program and secured \$5.7 million in federal and state grants. This left a gap of \$1.5 million which we were unable to fill.

As any business, West Side simply cannot absorb losses year after year. While other factors contributed to the losses, including continued delayed Medicaid payments, the recent spike in the uninsured contributes heavily to our financial burden. As a non-profit community health center, our razor-thin margins are disappearing. We have worked diligently during this explosive growth in the uninsured to maintain access to care for all, but now are evaluating our business operations. This evaluation may result in the reduction, consolidation, or loss of services, including the possible closing of our newest clinic, La Clinica on Lake St. in south Minneapolis, which serves over 5,000 new Spanish-speaking immigrants, but has an unsustainable 80% uninsured rate.

There are no easy solutions or quick fixes to this problem affecting West Side and all health centers in Minnesota. We do know, however, that community health centers are a cost effective option – comprehensive medical, dental and mental health care are provided for about \$1.25 a day per patient – nearly ten times less than the national average per capita spent on personal health. Our patients rely on us. We owe it to them to find a solution.

Thank you for your time today. I hope I gave you a sense of a day in the “real” non-profit world of health care. I am happy to answer any questions you may have.

## Community Care Network (CCN) Project

Madame Chair and Members of the Committee, I would also like the opportunity to speak in support of an innovative project called the Community Care Network. The project connects safety net providers into a coordinated, cost-effective care system that ensures a continuous medical home, and access to preventive care and chronic disease management services for high risk populations.

On the surface, Minnesota appears to fare quite well on health care access, quality and health status of its residents, but state-wide averages mask the wide disparities among different populations – disparities are greatest for low-income people, people of color, new immigrants and non-English speaking persons. People who are uninsured also experience dramatic disparities in access, health status and quality of care compared to the insured. These disparities are magnified for persons with chronic illnesses who represent a small percentage of the total population, but incur a large percentage of the costs.

The community clinics in the metro area, through Neighborhood Health Care Network, are partnering with UCare Minnesota, Hennepin County Medical Center, and the Minnesota Department of Human Services, to develop a care system that will:

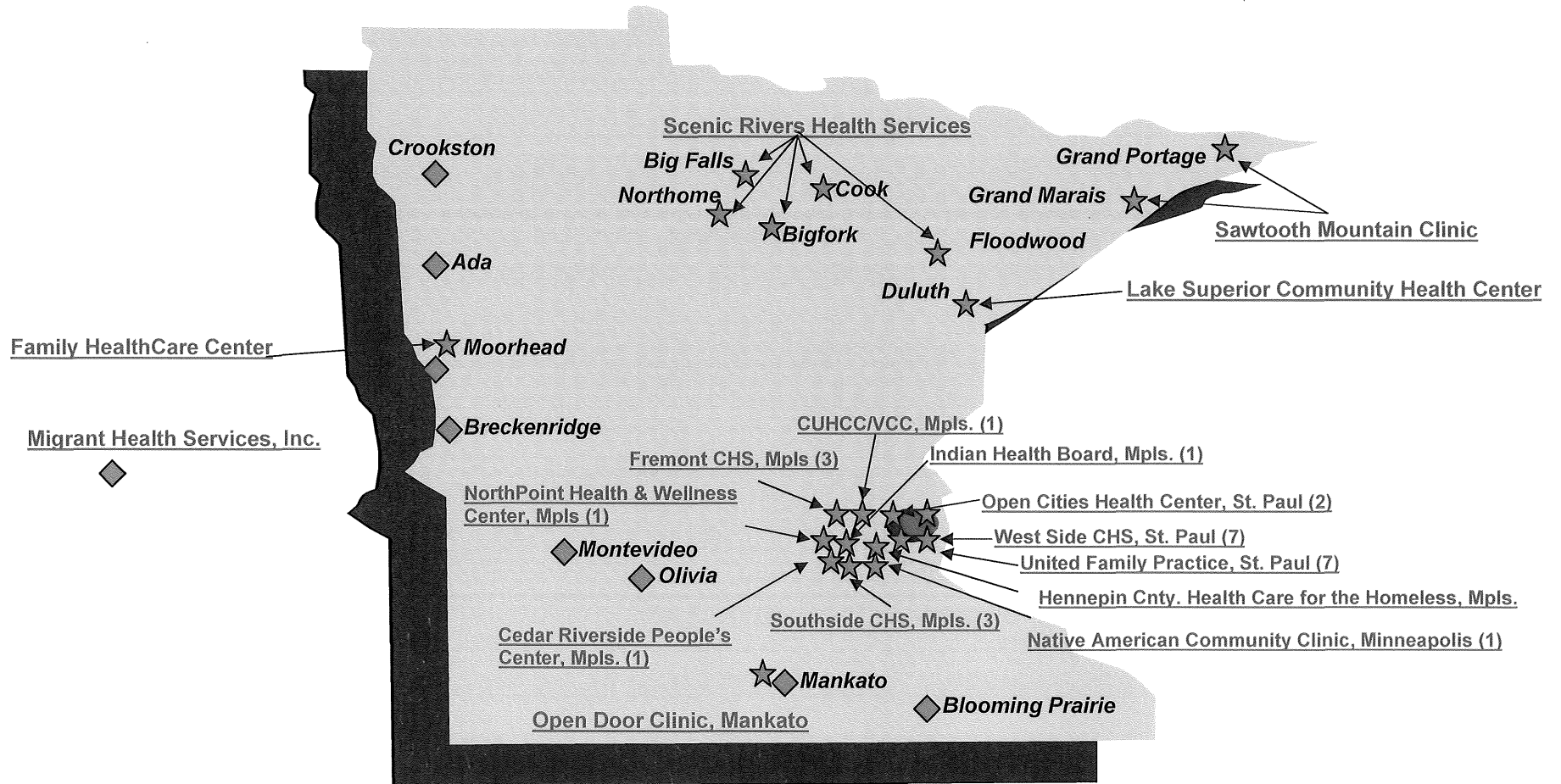
- coordinate services for low income and medically underserved persons and their families, in Hennepin County initially
- effectively manage health care costs
- focus on culturally competent care and services
- build capacity for care coordination and disease management, particularly related to diabetes, cardiovascular disease and depression
- create a model that can be replicated throughout Minnesota.

The initial planning has been done with the partners and the next steps of development are underway. The Community Care Network will build on the experience and successes of community clinics in addressing disparities in the populations we serve. Through the project, we will be able to measurably improve access, quality, continuity of care and health status for those at highest risk. We encourage your support of the project.

Thank you again for your time.



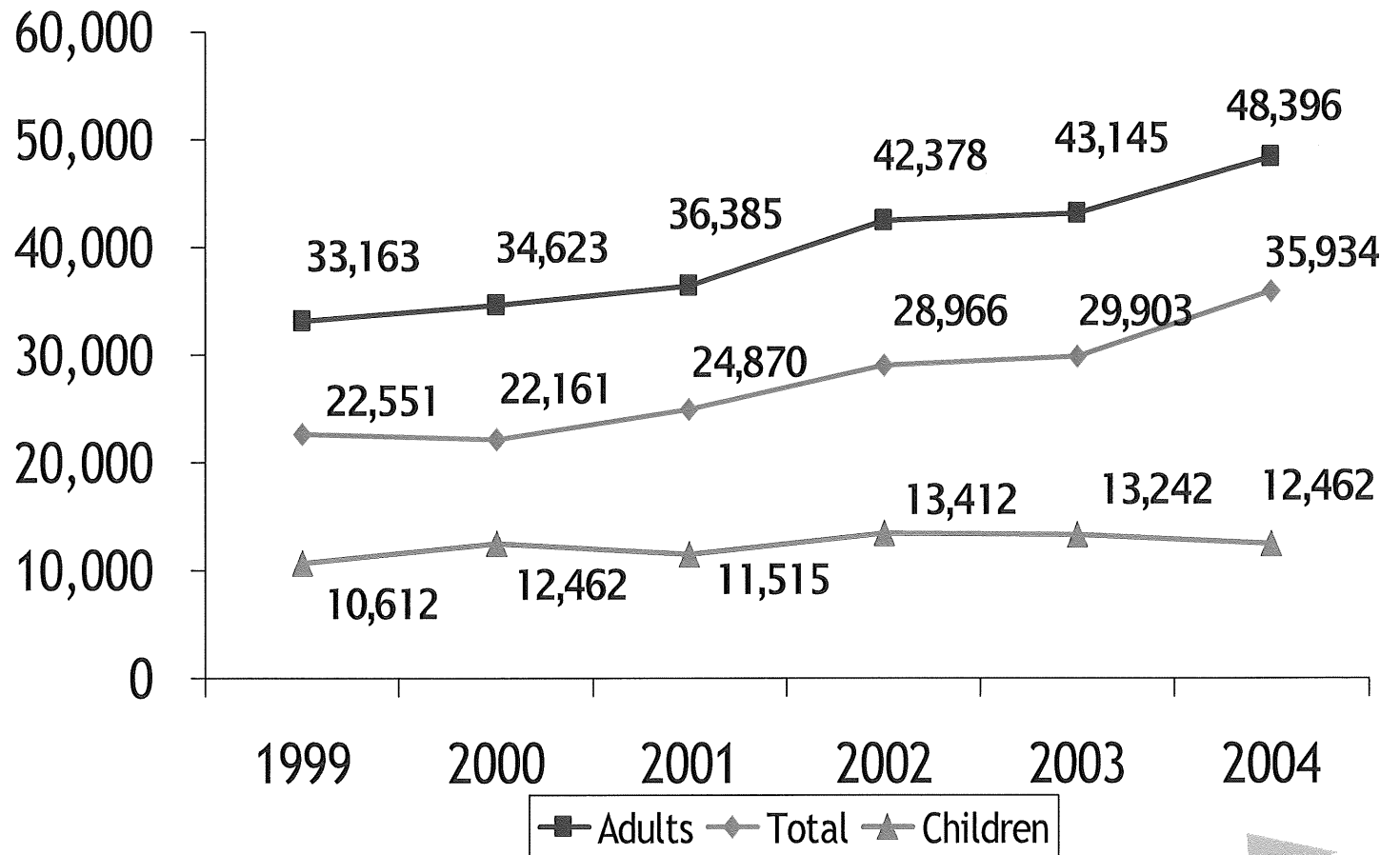
# Minnesota's Federally Qualified Health Centers



*“Working Together for Affordable Health Care”*

# Minnesota Association of Community Health Centers

## Chart 1 - MNACHC Uninsured Patients, 1999-2004



The number of uninsured patients using MNACHC clinics increased for the 5<sup>th</sup> consecutive year.

The number of uninsured adults increased 24% from 2002-2004

# Minnesota Association of Community Health Centers

While overall patient volume increased by 1.8% in 2004 much of the growth is a result of the 12% increase in the number of UNINSURED patients using Minnesota's FQHCs.

### Chart 3 - MNACHC Percent Change in Patients, 2004 vs. 2003, By Insurance Status

