

EMERGENCY FOOD, SHELTER AND FUEL ISSUES

TEAM FINAL REPORT

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Human Services Subcabinet

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EXECUTIVE SUMMARY

The Emergency Food, Shelter and Fuel Issues Team was charged with assessing Minnesota's response to the emergency food, shelter and fuel needs of its citizens, and making recommendations on what the future role of the state should be in this issue area. Until the past several years, what we call food, shelter and fuel emergencies generally resulted from one-time catastrophes such as fires, floods or debilitating illnesses. Recently, however, the scope of the term "emergency" has broadened to include regularly occurring, predictable situations in which people have too low an income to provide for their needs. Although the team recognizes that people continue to have emergencies in the traditional sense of the word, we have focused on the problems of individuals who are chronically deprived of the basic needs of food, fuel, and shelter. Low wage jobs, income maintenance and social services programs are often insufficient to provide for basic needs; thus, many people with very low incomes are forced to rely on the quick-response system of privately-run food shelves, shelters and hot meals programs to fill the gaps. It is clear, however, that community organizations, foundations and churches that run and provide most of the funding for such services feel that the government should take a much greater responsibility for meeting the basic needs of its citizens who cannot do so on their own. In this light, the Emergency Issues Team looked for ways the state could improve its response to the very low-income residents of the state. Listed below are the major findings and recommendations resulting from the team's analysis of the problem.

I. FINDINGS

- A. IN GENERAL, WHAT WE CALL FOOD, SHELTER AND FUEL "EMERGENCIES" ARE OFTEN NOT SUDDEN AND UNEXPECTED CIRCUMSTANCES CAUSED BY ONE-TIME CATASTROPHES, BUT RATHER ARE REGULARLY OCCURRING, PREDICTABLE SITUATIONS IN WHICH PEOPLE HAVE TOO LOW AN INCOME TO PROVIDE FOR THEIR BASIC NEEDS. The causes of this lack of sufficient income include budget cuts in basic income maintenance programs and escalating costs of basic necessities, particularly for fuel and shelter.
- B. DEMAND FOR BASIC NEEDS SERVICES SUCH AS FOOD SHELVES, SHELTERS, HOT MEALS AND FUEL CRISIS AID HAS INCREASED DRAMATICALLY OVER THE PAST SEVERAL YEARS. Many people are relying on basic needs services on a regular, rather than on a strictly emergency basis, and the numbers accessing these services are increasing.
- C. PEOPLE USING THESE BASIC NEEDS SERVICES HAVE A VARIETY OF CHRONIC PROBLEMS, ALL OF WHICH RESULT IN AN INADEQUATE INCOME. The individuals using basic needs services include the long-term unemployed, those working for very low wages, young single mothers who find it difficult to enter the labor force, single individuals with histories of mental illness or chemical dependency, and the elderly poor.
- D. DATA IS SCARCE AND IRREGULAR ON THE NEED FOR THE USE OF BASIC NEEDS SERVICES. Most noticeably absent is comprehensive information on the connections between the need for food shelves, shelters, hot meals, and fuel crisis programs and the need for other long-term public assistance.
- E. THE LARGELY VOLUNTEER, LOOSELY STRUCTURED BASIC NEEDS SERVICES SYSTEM HAS BECOME STRAINED WITH THE BURDEN OF CONSTANT AND INCREASING DEMAND, WHILE FINANCIAL SUPPORT FOR SUCH SERVICES FROM THE PRIVATE SECTOR WILL BE WANING IN THE NEXT SEVERAL YEARS. Some foundations, United Ways, and non-profit basic needs service providers have insisted that they do not want to continue funding and operating such services; rather, they insist that the government should provide for the basic needs of those who cannot do so on their own.

Executive Summary
(cont.)

II. RECOMMENDATIONS

The recommendations below represent only a partial solution to the whole problem. The team has found that the underlying cause of the current upsurge in the use of "emergency" services to meet basic needs is that a large portion of the population has an income too low to provide for the necessities of life. The state should place a top priority on pursuing strategies aimed at raising the income level of very low-income individuals. In addition to those short and long-range recommendations listed below, the Emergency Issues Team supports the work of the Poverty and Jobs Issues Team regarding the improvement of the jobs and income maintenance programs in Minnesota.

A. SHORT-RANGE RECOMMENDATIONS

1. **DATA COLLECTION:** Add a function at the state level to collect and analyze data for better strategic planning to address emergency and basic needs deprivation and poverty problems in general.

COST: \$70,000 - \$170,000 each fiscal year of the biennium.
(Not included within any departmental biennial budget)

2. **BASIC NEEDS ACTION GROUP:** Establish an interagency group to work in partnership with private providers and advocates to address problems faced by those who are chronically deprived of their basic needs.

COST: \$40,000 each fiscal year of the biennium.
(Not included within any departmental biennial budget)

3. **BASIC NEEDS FUNDS:** Establish a fund to supplement the basic needs of food, shelter, clothing and fuel for those unable to provide for their needs on their own.

COST: The cost for filling the gap has not been determined exactly; however, DES has requested \$2,000,000 for each fiscal year to begin addressing the problem.
(Included within DES biennial budget)

4. **SURPLUS COMMODITIES:** Provide state funding so that the state can access commodities available on the federal level.

COST: Included in the basic needs fund.

5. **INTERDEPARTMENTAL STRATEGIC PLANNING ON FUEL CRISIS:** Hold strategic planning sessions to deal with growing income-related fuel crisis problems.

COST: \$40,000 each fiscal year of the biennium.
(Not included within any departmental biennial budget)

Executive Summary
(cont.)

B. TRANSITIONAL AND LONG-RANGE RECOMMENDATIONS

1. **FEDERAL ADVOCACY ON FOOD AND HOUSING PROGRAMS:** Advocate at the federal level for increases in funding and administrative changes in basic food and housing programs, including WIC, Food Stamps, low-income housing vouchers.

COST: Appropriate departments should provide staff to deal with this recommendation.

2. **TEMPORARY HOUSING PROGRAM:** Continue support for the temporary housing program now being run through DES and MHFA.

COST: \$550,000 each fiscal year of the biennium.
(Included within DES and MHFA biennial budget)

3. **DOWNTOWN REPLACEMENT HOUSING:** Establish a development fund to support local low-income housing projects aimed at replacing recently destroyed housing for single adults in or near downtown areas.

COST: \$5,000,000 for the biennium.
(Not included within any departmental biennial budget)

4. **DOWNTOWN REPLACEMENT HOUSING INFORMATION NETWORK:** Establish a clearinghouse function at the state level for sharing information on developing low-income housing in central cities.

COST: \$40,000 - \$50,000 each fiscal year of the biennium.
(Not included within any departmental biennial budget)

5. **HOUSING AND SUPPORT SERVICES FOR DEINSTITUTIONALIZED MENTALLY ILL, MENTALLY RETARDED, AND CHEMICALLY DEPENDENT PERSONS :** Establish a task force to form explicit state policy on ensuring that deinstitutionalized persons receive adequate housing and care.

COST: Appropriate departments should provide staff to deal with this recommendation.

6. **WEATHERIZATION:** Support low-income weatherization to a greater extent than is currently the case.

COST: \$5,000,000 each fiscal year of the biennium.
(Included within DES biennial budget)

Executive Summary
(cont.)

7. CONSERVATION EDUCATION AND COUNSELING: Target low-income groups for extra conservation education and budget counseling as needed. An interagency strategic planning group with representatives from appropriate departments should be formed to plan a coordinated response to this need.

COST: \$50,000 each fiscal year of the biennium.

(Not included within any departmental budget)

8. PUBLIC INFORMATION/OUTREACH: Support efforts to increase public awareness of programs available to low-income individuals and families.

COST: \$25,000 each fiscal year of the biennium.

(Not included within any departmental budget)

TOTAL BUDGET IMPACT: \$ 20,630,000 - \$ 20,850,000 for the '86-'87 biennium.

WITHIN DEPARTMENTAL BUDGETS: \$15,100,000

OUTSIDE DEPARTMENTAL BUDGETS: \$5,530,000 - \$5,750,000

ISSUE BACKGROUND

Until the past several years, what we call food, shelter and fuel emergencies generally resulted from one-time catastrophes such as fires, floods, storms or major debilitating illnesses. Recently however, the scope of the term "emergencies" has broadened to include regularly occurring predictable situations in which people have too low an income to provide for their basic needs. To address this problem, community organizations, churches, foundations, corporations, cities and counties, and the Federal Emergency Management Agency have all contributed extensively to establish a system of food shelves, food banks, overnight shelters and hot meals programs. In addition, while the State of Minnesota has not provided any of its own funds for this "basic needs system", it has diverted funds from the Low Income Home Energy Assistance Block Grant to provide for the basic needs of very low income individuals and families. Table 1 shows a partial picture of past funding for basic needs services in Minnesota. The full picture is unavailable because so much of the funding is provided through local churches and charities.

TEAM CHARGE

Many other groups have analyzed the issues described above, including some at the local level and one state level task force in 1983. This team's charge is as follows:

To assess Minnesota's response to the emergency food, shelter and fuel needs of its citizens through the analysis of current public programs, an examination of state policies related to emergency services, and the review of private sector initiatives to address emergency needs.

Team members were chosen from all the agencies involved in addressing food, shelter or fuel emergencies:

Department of Economic Security: Ruth Ann Wefald
Tom Williams
Peggy Lexau

Department of Energy and Economic Development: Mike Derickson

Department of Finance: Bruce Reddeman

Department of Health: Pat Elmer

Department of Public Safety: Frank Dougherty

Department of Public Welfare: John Brenneman

Military Affairs: Dennis Melland

Minnesota Housing Finance Agency: Bob Odman

State Planning Agency: Linda Sutherland

ISSUE ANALYSIS

The team used several methods to analyze the issues, described below:

- 1) Interviews with basic needs service providers and with local groups, organizations, and individuals studying the problem;
- 2) Data collection from food, shelter and fuel-related programs, both public and private; and
- 3) Review of nationwide state and local studies of the problems of hunger, homelessness and fuel crisis.

FINDINGS

- A. IN GENERAL, WHAT WE CALL FOOD, SHELTER AND FUEL "EMERGENCIES" ARE OFTEN NOT SUDDEN AND UNEXPECTED CIRCUMSTANCES CAUSED BY ONE-TIME CATASTROPHES, BUT RATHER ARE REGULARLY OCCURRING, PREDICTABLE SITUATIONS IN WHICH PEOPLE HAVE TOO LOW AN INCOME TO PROVIDE FOR THEIR BASIC NEEDS.

A number of forces have combined over the past several years to leave many people without enough income to supply their own basic needs of food, clothing, shelter and fuel. These forces include:

1. Long-Term Unemployment or Underemployment

In recessionary times, a large portion of the population undergoes long bouts of unemployment, leading to an increase in the poverty rate. Table 2 and Figure 2.1 show the poverty and unemployment rates of the recent recession.

Even in good times, however, this portion of the population is often unable to find jobs that will raise them above the poverty level. Often the only jobs available for the least educated and skilled in our society are those that have low pay and few or no benefits, and are only part-time or seasonal positions. Although over half of poor female heads of families worked in 1979, as did 68% of male heads and 48% of unrelated individuals, they remained poor.¹

2. Inadequacies In Public Assistance Programs

Many public assistance programs have failed to keep up with cost of living, and these are becoming increasingly inadequate to provide for the basic needs of poor individuals and families. Table 3 and Figure 3.1 show the effects of inflation on the AFDC payment standard: in constant 1982 dollars, the payment standard has been reduced significantly over the past 10 years.

In addition, the Thrifty Food Plan used by the Department of Agriculture to calculate monthly food stamps allotments falls 16 to 19 percent short of providing an adequate food budget. A recent study estimated that a four person family that meets the eligibility requirements for the food stamp program will spend \$ 293.17 per month for food compared to \$247.26 established as the national average with the Thrifty Food Plan.²

Finally, while the \$199 GA allowance is not intended to provide a comfortable living budget, this is insufficient to provide even for housing of destitute individuals, as shown below.

3. Erosion of the Supply of Affordable Housing

Low-rent units--particularly those for single individuals--have disappeared steadily over the past 30 years, due to redevelopment, conversion, condemnation, and fire. Although no comprehensive information is available to fully document this phenomenon, some recent losses in the supply of low-rent units are symptomatic of the problem. In Minneapolis, three large residential hotels have closed recently--the Andrews, Curtis and Hampshire Arms--displacing hundreds of individuals. St. Paul has documented a loss of approximately 410 low-rent units over the past 4 years, an average decline of 85-105 units.³ Mankato reports that the Burton Hotel will be demolished this fall, meaning the loss of 92 single-room and efficiency apartments.⁴

As a result of this reduction in the supply of low-rent housing, average rents have increased substantially throughout Minnesota. The League of Women Voters' study "Home Sweet Home--until 7 a.m." reports that in the last 6 months of 1983, the average Minneapolis rents were \$239 for a studio or efficiency apartment, and \$302 for a one-bedroom apartment.⁵ In the Mankato area, the Coalition for the Homeless found that monthly rents for one-bedroom apartments averaged \$219; for two-bedroom apartments, \$312. The vacancy rate for these apartments is low; that for sleeping rooms is almost 0.⁶

In addition, the supply of public housing for very low income families and individuals is inadequate. Table 4 shows the difference between the current supply of public housing and the number of people in poverty.

4. Escalating Fuel Costs

Table 5 and 5.1 show the great increases in the cost of all forms of fuel in the past several years. The majority of low-income Minnesota residents use natural gas, distillate fuel, oil or propane as their heating source; thus, only these three are shown.

Many studies have shown that increased fuel costs are much harder on the budget of the poor than those more well-off. Table 6 displays the effects of fuel costs on those with limited or fixed incomes.

5. Inadequate or Inappropriate Community-Based Housing for the Mentally Ill, Chronic Alcoholics.

Again, comprehensive information on this issue is unavailable; however, indications from several sources tell us that this is a significant contributor to the problem of homelessness. Table 13 (discussed more fully below) shows that 45% of emergency shelter users in Minneapolis and St. Paul have been admitted to a Detoxification Center at least once, and about 23% have received some mental health services in the past. The League of Women Voter's report (quoted above) cited the following factors contributing to the inadequacy of housing for these people:

--Limited long-range planning for deinstitutionalized; poor follow-up on deinstitutionalized persons.

--Long waiting lists for entry into community-based facilities for mentally ill.

--Many inadequate facilities, some under threat of closure by the County (in Minneapolis);

--Problems with siting group facilities in neighborhoods.⁸

In addition to problems for the mentally ill, chronic alcoholics also have inadequate housing options. A report on chronic alcoholics in Hennepin County shows that this group uses expensive treatment programs, and sometimes even jail, over and over again--often merely for a safe and warm place to stay. Often these people are not ready for treatment; special housing is needed for this group so they can take the step into treatment when they are ready.

B. DEMAND FOR MANY BASIC NEEDS SERVICES HAS INCREASED SUBSTANTIALLY OVER THE PAST SEVERAL YEARS.

The numbers accessing basic needs, or "emergency", services is increasing, particularly for food shelves. Although most information on this phenomenon is anecdotal, a few sources have demonstrated these increases:

1. Table 7 shows the changes in food shelf use over time for some areas of the state.
2. Table 8 and Figure 8.1 show the increases in gas terminations and increasing fuel bill arrearages for the state.

C. PEOPLE USING THESE BASIC NEEDS SERVICES HAVE A VARIETY OF CHRONIC PROBLEMS, ALL OF WHICH RESULT IN AN INADEQUATE INCOME.

The individuals using basic needs services such as food shelves, emergency shelters, and hot meals programs have a variety of problems which have no single solution. Among those using the services are: the long-term unemployed, young single mothers, single individuals with a history of mental illness or chemical dependency, and the elderly poor.

Tables 9.A through 9.C show the characteristics of people using a variety of basic needs services. Since each survey cited was conducted in a limited area, however, the data cannot be generalized for the whole state.

D. DATA IS SCARCE AND IRREGULAR ON THE NEED FOR AND THE USE OF BASIC NEEDS SERVICES.

The Emergency Issues Team found four problems while trying to find data to get an overall view of Minnesotans who are at risk of not being able to provide for their basic needs:

1. Data on low-income population from state agencies running low-income programs is scattered and difficult to access. There had been no effort in the past to coordinate such information, though an overall view of characteristics of clients of low-income programs would be very useful to planners and policy-makers of those programs.
2. Data from privately run basic needs services such as food shelves or shelters is sparse and inconsistent from service to service. However, many of these organizations do collect data on their clients, and this information could be an essential contribution to an overall picture of low-income Minnesotans if there were sufficient staff and resources to collect and analyze the information.
3. Information on future legislative and administrative changes in low-income support programs is widely available; however, there has been little effort to analyze how such changes influence the ability of very low income persons to provide for their basic needs.
4. Much essential information on basic needs deprivation in Minnesota is missing, and could only be gained by original research.

E. THE LARGELY VOLUNTEER, LOOSELY STRUCTURED BASIC NEEDS SERVICES SYSTEM HAS BECOME STRAINED WITH THE BURDEN OF CONSTANT AND INCREASING DEMAND WHILE FINANCIAL SUPPORT FOR SUCH SERVICES FROM THE PRIVATE SECTOR WILL BE WANING IN THE NEXT SEVERAL YEARS.

Churches and other local charitable organizations which operate "emergency" services have found themselves in a difficult situation. When first conceived, such services were intended to be run only for a short while; however, over the past several years, the demand for them has increased rather than diminished. Private providers running such operations cite many difficulties in continuing these operations, including inadequate donations and funding.

Some foundations, United Ways, and non-profit providers have insisted that they do not want to continue funding and operating such services; rather, they insist that the government should provide for the basic needs of those who cannot do so on their own -- preferably through long-term rather than short-term "emergency" means.

Indications that private support for basic needs services will be declining in the near future include:

1. The United Way of Minneapolis dropped "emergency needs" from number one priority to medium priority for their next biennial funding cycle.
2. The United Way of St. Paul--now raising funds for the Emergency Care Fund for the East metro area - reports that their fund raising goal is \$550,000, down from \$900,000 a year ago. In addition, while only 17% of the fund in 1983 was from local governments, in 1984 governmental contributions are expected to reach 40%. Foundations and private charities are still giving some funds, but less than in the past several years.

The following quote is indicative of the attitude of private funding sources for emergency services. A 1982 Ramsey County Blue Ribbon Commission--made up of representatives of non-profit organizations, the religious community, corporations, the United Way and the Chamber of Commerce--issued a needs assessment report with the following statement:

Society and government in particular, has an obligation to see that basic needs are met. Private money can respond to the basic needs for a maximum period of three years... The current crisis is a societal problem and therefore needs the working cooperation of all citizens.

RECOMMENDATIONS:

The Emergency Issues Team has made two sorts of recommendations regarding the state role in dealing with food, shelter and fuel emergencies:

- 1) Recommendations aimed at immediately resolving food, shelter and fuel crises that are expected to continue in the near future. (Short-Range Solutions)
- 2) Recommendations aimed at easing people out of emergency situations and keeping them from ever having to rely on emergency services. (Transitional and Long-Range Solutions)

The recommendations below represent only a partial solution to the whole problem, however. The team has found that the underlying cause of the recent upsurge in the use of emergency services is that a large portion of the population has an income too low to supply their basic needs. The state should thus place a top priority on pursuing strategies aimed at raising the level of very low-income individuals. In addition to those long and short range recommendations listed below, the Emergency Issues Team supports the Poverty and Jobs Issues Team in its recommendations regarding the improvement of the jobs and income maintenance programs in Minnesota.

As much as possible, the recommendations have already been incorporated into a departmental biennial budget, and have been noted as such below.

I. SHORT-RANGE RECOMMENDATIONS

A. DATA COLLECTION FOR STRATEGIC PLANNING

1. Alternative 1: The state should develop the capacity to centralize and integrate data from a variety of programs and agencies and make such data accessible to other agencies and the general public. This data would be available for use in policy making and program planning and evaluation.

Information to be monitored should include, but not be limited to:

- Policy changes in state and federal programs related to food, housing, fuel assistance and other income maintenance programs and the probable effects of such changes on low-income Minnesotans.
- The numbers and characteristics of people served by these programs.
- The numbers and characteristics of people likely to need basic life-sustaining services.

This information should be centralized, analyzed and regularly disseminated by a data clearinghouse. Included in that function would be coordination and cooperation with any other agency building a similar or related data base. The clearinghouse should have the following characteristics:

- The overall administrative responsibility for the clearinghouse should lie with the Department of Economic Security.
- Summary data should be provided by the agency which collects the data. Automated summary data will reside at the Land Management Information Center at the State Planning Agency.
- Costs of updating data at the Land Management Information Center should be shared by the originating agency and LMIC.
- Local non-profit entities should work in partnership with the State in the development and on-going operation of the clearinghouse. Participation could be in the form of an advisory committee made up of representatives of local groups interested in using the clearinghouse information.

Cost: \$70,000 - \$170,000 each fiscal year of the biennium.
(Not included within any departmental biennial budget)

The lower figure is based on: 1 full-time staff person, 1 half-time clerical and computer and miscellaneous office costs.

The higher estimate also includes the participation in a statewide survey of the low-income population done by the Center for Social Research at the University of Minnesota. Appendix 2 gives a more detailed description of the data clearinghouse recommendation; page 12 of that appendix gives a more detailed breakdown of the budget.

2. Alternative 2: This function would be undertaken solely by the Department of Economic Security. There would be no automated component; rather, the information would be kept in manual files in the DES Library/Poverty Data Center.

Cost: \$50,000 - \$150,000 each fiscal year of the biennium.
(Not included within any departmental biennial budget)

The costs are the same as in Alternative 1, except for the exclusion of computer costs.

3. ESTABLISHMENT OF A "BASIC NEEDS ACTION GROUP"

The State of Minnesota should establish an interagency group to work in partnership with private providers and advocates to address problems faced by those who are chronically deprived of their basic needs. The group would have the following features:

- i. The State Departments currently represented on the Emergency Food, Shelter & Fuel Issues Team would be represented on the Action Group.
- ii. Group members would be appointed by the Commissioners and would be at the Assistant Commissioner or Program Director level.
- iii. The group would meet as often as needed to plan for and avert potential basic needs deprivation of certain groups of the population.
- iv. Group members would receive regular reports from the data collection unit described above on which to base its decisions.
- v. The group would be responsible for planning how and when to spend the "Basic Needs Fund" described below.
- vi. The group would also be responsible for conducting the outreach campaign discussed below.
- vii. The group would consult regularly with an advisory committee made up of representatives of community groups dealing with these issues.

Cost: \$40,000 each fiscal year of the biennium
(Not included within any biennial budget)

The above figure represents 1 full-time staff person plus half-time clerical support.

C. ESTABLISHMENT OF A BASIC NEEDS FUND

The State of Minnesota should establish a fund to supplement the basic needs of food, shelter and fuel for those unable to provide for their needs on their own. The Basic Needs Fund would be distributed throughout the State on criteria established by the Basic Needs Action Group, described above.

Cost: \$2,000,000 each fiscal year of the biennium.
(Included within DES biennial budget)

The above figure is based on the perceived continued need for "emergency" food, shelter and fuel services and on the expectation of the loss of other sources of funding. Listed below are some expected fund shortages:

--Community Services Block Grant (CSBG)/Low Income Home Energy Assistance Program (LIHEAP):

It is expected that leftover funds from LIHEAP will no longer be available for transfer into CSBG for "emergency" purposes, due to probable increases in the numbers to be served by LIHEAP and the possible limitations on the ability to transfer funds from one block grant to another. For the current fiscal year, funding from this source amounts to \$4,000,000.

--Federal Emergency Management Agency:

Funding from this source has been reduced this year from \$100 million to \$60 million nationally, for the State this is expected to result in a reduction from \$1,000,000 to \$600,000, a loss of \$400,000. No further funding is expected at this time.

--Foundations/Charities:

The amount of reduced funding from these sources is uncertain at this time; however, it is expected to be substantial. See Finding E for a better explanation of this assumption.

D. PROVIDE STATE FUNDING FOR THE SURPLUS COMMODITY PROGRAM

The State of Minnesota should provide funding for the surplus commodity program to ensure its continuance. While this is by no means a complete nutritional program, it does provide an important dietary supplement for Minnesotans. Without State funding, Minnesota will be unable to transport and store the commodities offered by the federal government.

Cost: Included in the Basic Needs Fund.
(Included within DES biennial budget)

E. INTERDEPARTMENTAL STRATEGIC PLANNING ON FUEL CRISIS ISSUES

The State Departments of Economic Security, Human Services, Housing Finance, Public Utilities Commission, Public Service and Energy and Economic Development should have joint strategic planning sessions on how the State should address the fuel crisis problems of the low-income population. The sessions would focus on:

- a. The growing back-bill problem among low-income fuel customers, and how service agencies and utilities can work with clients to eliminate back bills.
- b. How service agencies--including Energy Assistance Program operators and County Welfare offices--should jointly deal with those who have been terminated from utility service.

Participation in this planning session should be at the Commissioner and Assistant Commissioner level, and proceed as needed to lower levels.

As with the Basic Needs Action Group, this group would consult regularly with an advisory committee of community representatives.

Cost: \$40,000 each fiscal year of the biennium
(Not included within any departmental biennial budget)

The above figure represents the costs of one full-time staff person plus half-time clerical support.

II. TRANSITIONAL AND LONG-RANGE RECOMMENDATIONS

A. FEDERAL ADVOCACY ON FOOD AND HOUSING PROGRAMS

Advocate at the federal level for increase in funding and administrative changes in basic food and housing programs, including WIC, food stamps, and low-income housing vouchers.

Cost: Appropriate departments should provide staff to deal with this recommendation.

B. TEMPORARY HOUSING

The State continues support for the temporary housing program now being run by DES and MHFA.

Cost: \$550,000 each fiscal year of the biennium
(Included within DES and MHFA biennial budgets)

The above figure includes \$300,000 for the portion run by DES; \$250,000 for MHFA. This amount - \$50,000 over that allocated for the demonstration project -- is based on the overwhelming demand for the 1984-85 demonstration project.

C. DOWNTOWN LOW-INCOME HOUSING DEVELOPMENT FUND

The State should establish a development fund designed to help cities develop single unit, low-income housing in or near downtown areas.

Cost: \$5,000,000 for the biennium.
(Not included within any departmental biennial budget)

The above figure is based on the cost of developing 500-1000 low-income housing units. Although the need for such housing units far exceeds this proposed amount (See Finding A.3 for a further explanation), the Issues Team feels that an additional 500-1000 units would make a significant impact on the population most in need.

A recent feasibility analysis done by the City of St. Paul shows a \$20,000 per unit cost estimate for the development of single room occupancy units through building conversion. (The cost per unit may be \$4000 - \$8000 higher for new construction, or for development of efficiency units.) Although development costs would vary throughout the State, a \$5,000,000 state contribution would yield approximately 500-1000 units, depending on how much each locality would be directed to contribute:

Total Single
Room Occupancy
Units (approx-
imately \$20,000
Per Unit)

Total
Projected
Cost

Local Funding

% of Total
Project

Actual \$

% of Total
Project

Actual \$

\$5,000,000

50%

\$5,000,000

33%

\$5,000,000

25%

50%

67%

75%

\$10,000,000

15,000,000

20,000,000

500

750

1000

D. STATE DOWNTOWN LOW-INCOME REPLACEMENT HOUSING INFORMATION NETWORK

Minnesota should establish a downtown low-income replacement housing clearinghouse function to serve local areas planning for this activity. Such a function would serve several purposes:

- i. To inform local planning agencies about what other Minnesota cities are doing in this area.
- ii. To coordinate conferences or meetings of interested people as necessary to share information.
- iii. To keep in contact with other states and cities about progress in other parts of the U.S. on this issue, and pass this information along to local areas.

Such a clearinghouse could serve to raise the issue of the need for replacement of single-unit low-income housing that has recently been lost in central cities, due to destruction of residential hotels. The clearinghouse would also aid areas in developing concrete ideas on how to deal with the problem.

Cost: \$40,000 - \$50,000 each fiscal year.
(Not included in any departmental biennial budget)

The lower figure includes the cost of one full-time staff person plus clerical support (including fringe benefits); the higher includes costs for workshops, publications and other miscellaneous expense.

D. HOUSING AND SUPPORT SERVICES FOR DEINSTITUTIONALIZED MENTALLY ILL, MENTALLY RETARDED AND CHEMICALLY DEPENDENT PERSONS

Form explicit State policy on ensuring that deinstitutionalized persons receive adequate housing and care.

The State should establish a task force to form policy on this issue. The group would focus on the following issues:

- Whether or not legislation and administrative rules regarding deinstitutionalized individuals are sufficient to ensure that such individuals are adequately housed and cared for in community-based residences; and

--Whether or not practitioners are following the legislation or rules already established on this issue.

Cost: Departments should provide staff to deal with this recommendation.

F. INCREASE STATE FUNDING FOR THE LOW-INCOME WEATHERIZATION PROGRAM

The State should increase its support of the low income weatherization program as a means of reducing future emergency energy needs. In addition, funding for weatherization should be separated from the Energy Assistance Program, to avoid the past problem of widely fluctuating funding from year to year.

Cost: \$5,000,000 each fiscal year of the biennium.
(Included with DES biennial budget)

This figure reflects the cost of supporting the weatherization program at its current level, estimated as necessary to offset estimated losses in federal funding. This would fund the weatherization of 12,000 low-income homes annually.

G. CONSERVATION EDUCATION AND COUNSELING

The State should target low-income groups for extra conservation education and budget counseling as needed. An interagency strategic planning group with representatives from appropriate departments should be formed to plan a coordinated response to this need.

Cost: \$50,000 each fiscal year of the biennium.
(Not included within any department biennial budget.)

The above figure includes the cost of one full time staff person plus clerical support, and expenses for training workshops, publications, and other miscellaneous costs.

H. INCREASE PUBLIC INFORMATION/OUTREACH FOR INCOME ASSISTANCE PROGRAMS

The State should develop and expand public information and outreach effort aimed at drawing eligible individuals into the whole range of public assistance programs. This would enable some very low-income individuals now heavily relying on emergency services to receive a more substantial level of support for their basic needs. The outreach effort would include:

- i. A public information campaign to educate potential clients about the resources available for them, and to change the general population's and potential recipient's negative attitudes toward public assistance.
- ii. An investigation into the possibilities of increasing the number of automatic referrals between public assistance programs.
- iii. An investigation into the need for and feasibility of sending outreach workers out to basic needs services sites.

Cost: \$25,000 each fiscal year.
(Not included within any departmental budget)

The above figure includes the cost of one half-time staff person plus clerical support.

TOTAL BUDGET IMPACT FOR THE BIENNIUM:

Within Departmental Budgets:	\$15,100,000	
Not within Departmental Budgets:	\$5,530,000	- \$5,750,000
TOTAL:	\$20,630,000	- \$20,850,000

NOTES

1. Simon Fass, "The Labor Market and Poverty," Working Paper, Poverty and Jobs Issues Team, August, 1984. Chapter 2, p. 7.
2. "Thrifty and Inadequate," Nutrition Week, 14:36, August 30, 1984, p. 4.
3. St. Paul Department of Planning and Economic Development, "Development of Housing for the Minimum Wage Worker in Downtown St. Paul--Feasibility Analysis," St. Paul, MN, p.1.
4. Greater Mankato Area Coalition for Affordable Housing, Application for the Temporary Housing Demonstration Project, August, 1984, p. A-12. (unpublished)
5. League of Women Voters of Minneapolis, Home Sweet Home--Until 7 a.m.: Emergency Housing in Minneapolis; Minneapolis, MN, May, 1984, p. 15.
6. Greater Mankato Area Coalition for Affordable Housing, Application for the Temporary Housing Demonstration Project, August, 1984, p. A-12. (unpublished)
7. Minnesota Energy Assistance Program, 1984 Energy Assistance Plan, St. Paul, Minnesota, Appendix G.
8. League of Women Voters of Minneapolis, Home Sweet Home, p. 14.

APPENDIX I

TABLES

TABLE 1
STATEWIDE FUNDING FOR
EMERGENCY FOOD, SHELTER AND FUEL SERVICES*

PROGRAM	FUNDING	SOURCE	PROGRAM YEAR	ADMIN AGENT	DELIVERY SYSTEM
Energy Crisis Intervention Program (ECIP)	\$944,905	Community Services Block Grant (CSBG)	9-1-82 to 9-30-83 (FFY83)	DES	Community Action Agencies; Indian Gov'ts; Migrant Council
Emergency Food and Shelter Program - (EFASP)	\$999,998	Transfer from Energy Assistance to CSBG	1-3-83 to 3-31-84	DES	Community Action Agencies; Indian Gov'ts; Migrant Council
FEMA I Emergency Food and Shelter Program	\$626,460	Federal Emergency Management Agency (Jobs Stimulus Bills)	6-2-83 to 2-1-84	DES	Community Action Agencies; Indian Gov'ts; Migrant Council
FEMA II Emergency Food and Shelter Program	\$378,700	Federal Emergency Management Agency (Local Charity Boards)	6-1-83 to 3-31-84	FEMA Nat'l Board	Private, Non- Profit Voluntary Organizations (8 Counties Only)
Surplus Commodity Distribution - Individual Households	\$1,142,340	U.S. Dept. of Agriculture (70%); CSBG (4%); Private Foundations (18%); Leg. Adv. Comm. (8%).	7-1-82 to 6-30-84	DES	Community Action Agencies; Indian Gov'ts; Migrant Council; Non-Profit Human Service Agencies
Surplus Commodity Distributions - Institutions	\$117,015	U.S.D.A.	5-1-83 to 6-30-84	DES	Private and Re- ligious Orgs; Local Gov'ts
AFDC - Emergency Assistance	\$1,308,475	Federal, State, Local Governments	1983	DHS	County Welfare Departments
General Assistance - Emergency	\$648,000	State Government	1983	DHS	County Welfare Departments
TOTAL	\$6,165,893				

*NOTE: This table excludes many sources of funding for emergency services because of the difficulty of obtaining that information. Other sources include: local governments, private charities and religious organizations, foundations and corporations.

Sources: Minnesota Department of Economic Security; Department of Human Services

TABLE 2

U.S. POVERTY RATE; MN UNEMPLOYMENT RATE

1970-1983

Year	MN Unemployment Rate	U.S. Poverty Rate
1970	4.2%	12.6%
1971	4.4%	12.5%
1972	4.3%	11.9%
1973	4.5%	11.1%
1974	4.3%	11.2%
1975	5.9%	12.3%
1976	5.9%	11.8%
1977	5.1%	11.6%
1978	3.8%	11.4%
1979	4.2%	11.7%
1980	5.9%	13.0%
1981	5.5%	14.0%
1982	7.8%	15.0%
1983	8.2%	

Sources: U.S. Census; Department of Economic Security

FIGURE 2.1



Sources: U.S. Bureau of the Census; Minnesota Department of Economic Security

TABLE 3

IMPACT OF INFLATION OF MINNESOTA'S AFDC PAYMENT STANDARD

<u>AFDC Standard of Need for One Adult & One Child</u>		<u>Minneapolis-St. Paul Consumer Price Index*</u>	
<u>Actual Dollars</u>	<u>Constant 1972 Dollars</u>	<u>Date</u>	<u>Index</u>
1972 Average	\$234	1972 Average	125.4
Oct. '73 - June '75	262	July 1974	146.2
July '75 - June '77	272	July 1976	164.2
July '77 - June '78	286	Jan. 1978	190.2
July '78 - June '79	300	Dec. 1978	208.6
July '79 - June '80	321	Dec. 1979	234.0
July '80 - June '81	344	Dec. 1980	259.4
July '81 - Jan. '83	368	April 1982	302.2
Feb. '83 - June '83	393	April 1983	308.9
July '83 - June '84	412	August 1983	314.9

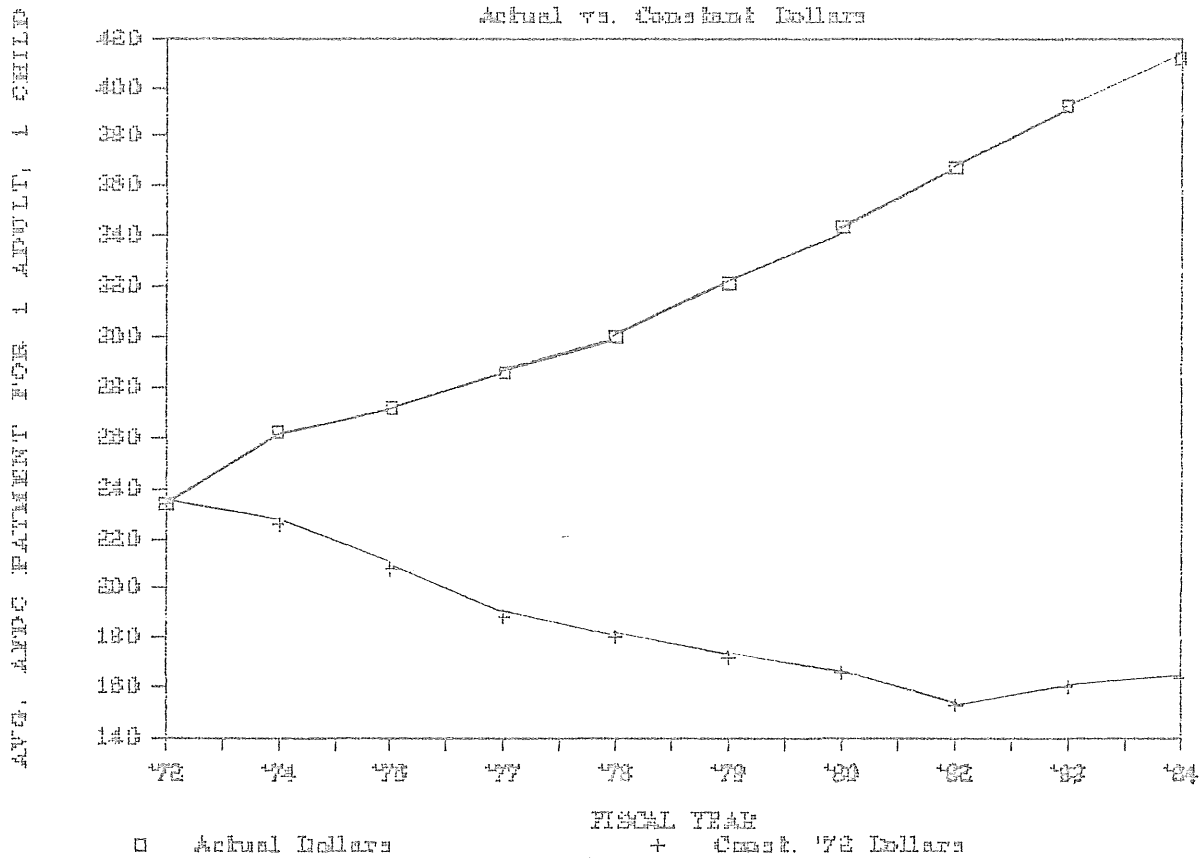
Total percent reduction in purchasing power, 1972-1984: 30%

*All items less medical care

Source: Department of Public Welfare Reports & Statistics; November 1983.

FIGURE 3.1

IMPACT OF INFLATION ON MN AFDC PAYMENTS



Source: Department of Public Welfare Reports and Statistics:
November, 1983.

TABLE 4

SUBSIDIZED HOUSING UNITS (*) IN MINNESOTA AND 7-COUNTY METRO AREA
 COMPARED TO HOUSEHOLDS IN POVERTY

HUD Program	<u>SUBSIDIZED HOUSING UNITS (1983)</u>			Total Metro Units
	Total	Statewide Family Units	Elderly Units	
Low Rent Public Housing	21019	15157	5862	11887
Section 8 (Existing Units)	13975	5350	8625	8955
Section 8 (Newly Constructed Units)**	<u>25995</u> 60989	<u>14895</u> 35402	<u>11100</u> 25587	<u>15775</u> 36617

HOUSEHOLDS IN POVERTY (1980)

152,368	73,000	41,000	55,280
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(*) Does not include subsidies to Developers for reduction in mortgage interest -- a subsidy which has the effect of reducing the total rent of each unit and therefore the rent paid by the occupant. Some recipients are thus receiving rent assistance and living in units with reduced overall rent simultaneously. There are approximately 10,000 units covered by the mortgage subsidy program in Minnesota at the present time.

(**) The category "new construction" includes HUD Section 8 projects handled by the Minnesota Housing Finance Agency, the Farmers Home Administration and "all others".

Sources: U.S. Department of Housing & Urban Development,
 Minneapolis-St. Paul Regional Office.

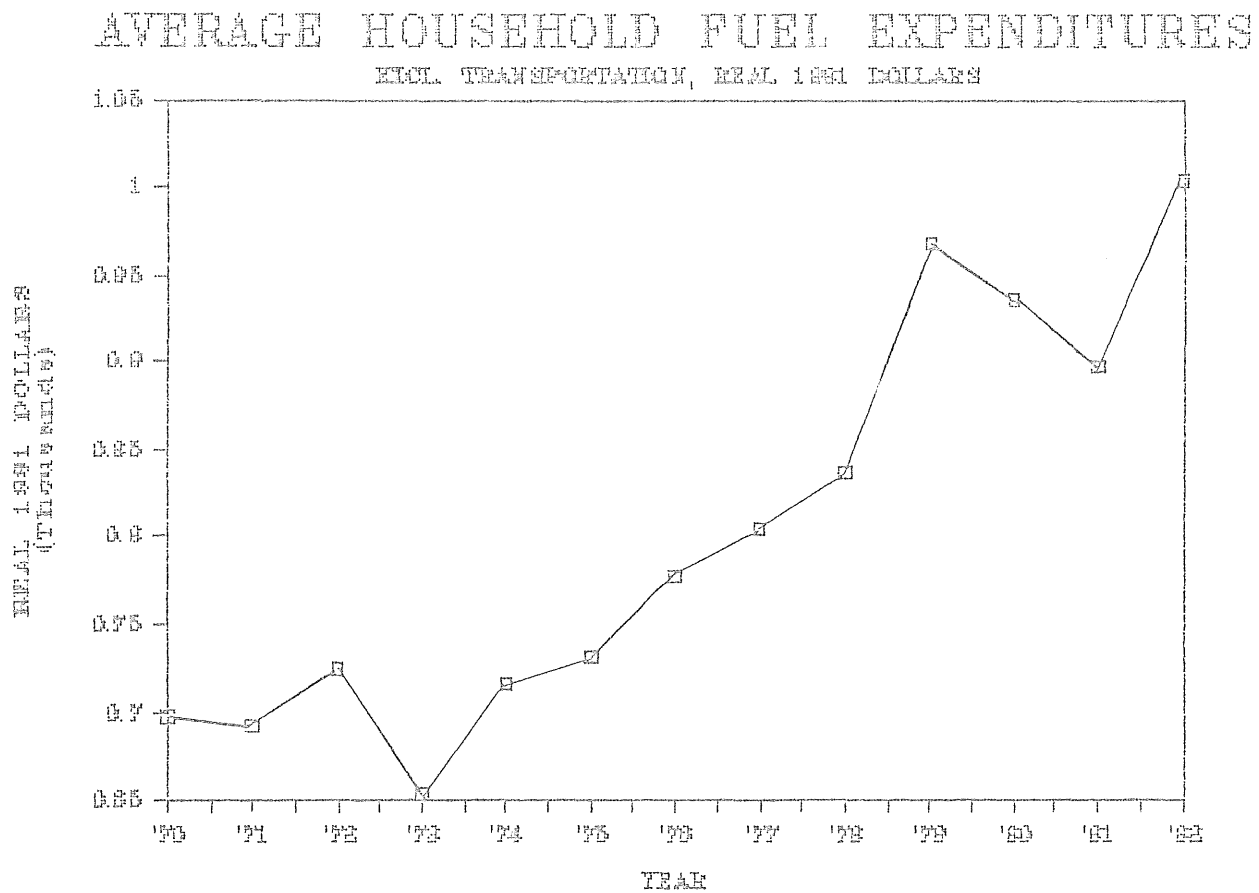
Minnesota Poverty: The Face of Poverty, Department of
 Economic Security, August 1983.

TABLE 5
HISTORIC RESIDENTIAL FUEL PRICES
(REAL 1981 DOLLARS)

	NATURAL GAS \$/MCF	DISTILLATE FUEL OIL \$/GAL	PROPANE \$/GAL	AVG HH ENERGY COST (REAL 81 DLS.)
1970	2.34	.36	.23	697
1971	2.39	.36	.22	692
1972	2.39	.35	.21	724
1973	2.39	.37	.26	654
1974	2.38	.57	.34	716
1975	2.43	.56	.34	731
1976	2.57	.57	.57	777
1977	2.96	.63	.58	804
1978	2.86	.58	.53	836
1979	3.25	.95	.61	968
1980	3.54	1.05	.71	936
1981	4.02	1.15	.71	898
1982	4.78	1.05	.69	1004

SOURCES: Minnesota Department of Energy and Economic Development, 1984 Energy Data Book, St. Paul, Minnesota, July, 1984, pp. 73,95.

FIGURE 5.1



Source: Minnesota Department of Energy and Economic Development,
1984 Energy Data Book , St. Paul, MN, July, 1984, pp.73, 95.

TABLE 6
MINNESOTA
LOW INCOME ENERGY EXPENDITURES
WINTER OF 1983-84

LOW INCOME ENERGY EXPENDITURES

Average Annual Expenditure for all Home Energy	\$1314
Average Monthly Expenditure During Winter	\$187

SSI BENEFITS AND LOW-INCOME ENERGY EXPENDITURES

Maximum Monthly SSI Benefit for Single Elderly	\$339
% Spent for Energy in Winter Months	55.7%
Amount Left Each Week in Winter	\$35

UI BENEFITS AND LOW INCOME ENERGY EXPENDITURES

Average Monthly UI Benefit	\$609
% of Benefit Spent for Energy in Winter Months	31.0%
Amount Left Each Week in Winter	\$97

ENERGY ASSISTANCE BENEFITS AND LOW INCOME
ENERGY EXPENDITURES

Average LIHEAP Payment	\$511
% of Average Expenditure Covered by LIHEAP	38.9%
% of Eligible Households receiving LIHEAP Benefits	36.3%

Source: National Consumer Law Center, "Cold--Not By Choice," Washington, D.C., April, 1984, p. 21.

TABLE 7

Food Shelf Use in the Seven County
Metro Area

Minnesota Food Share Participants *

<u>Year</u>	<u>Total Number of Households Served</u>	<u>Percent of Annual Increase</u>	<u>Monthly Average Households Served</u>	<u>Percent of Annual Increase</u>
1982	75,066	-	6,255	-
1983	101,340	35%	8,472	35%
1984 ⁺	118,544	17%	9,879	17%

* Metro area figures are used because at this time, only 1984 statewide figures are available.

+ Projection based on preliminary 6-month figures.

Source: Minnesota Foodshare

TABLE 3

MINNEGASCO GAS TERMINATIONS & ARREARAGES:
STATEWIDE ENERGY ASSISTANCE HOUSEHOLDS IN ARREARS

MINNEGASCO GAS TERMINATIONS*+			MINNEGASCO RES. ACCOUNTS IN ARREARS*		MINNEGASCO CUSTOMER AVE UNPAID BALANCE		STATEWIDE ENERGY ASSISTANCE HOUSEHOLDS IN ARREARS (Exclude Minnegasco) **	
WINTER OF	# OF H.H.	ANNUAL % INCREASE	# OF H.H.	ANNUAL % INCREASE	\$ PER ACCT.	ANNUAL % INCREASE	# OF H.H.	AVE. UNPAID BALANCE
1979-1980	N/A	N/A	63802	N/A	\$102.07	N/A	N/A	N/A
1980-1981	5172	N/A	76685	20.19%	\$122.74	20.25%	N/A	N/A
1981-1982	6084	17.63%	84677	10.42%	\$169.73	38.28%	N/A	N/A
1982-1983	8256	35.70%	N/A	N/A	N/A	N/A	N/A	N/A
1983-1984	13298	61.07%	N/A	N/A	N/A	N/A	19,750	\$187

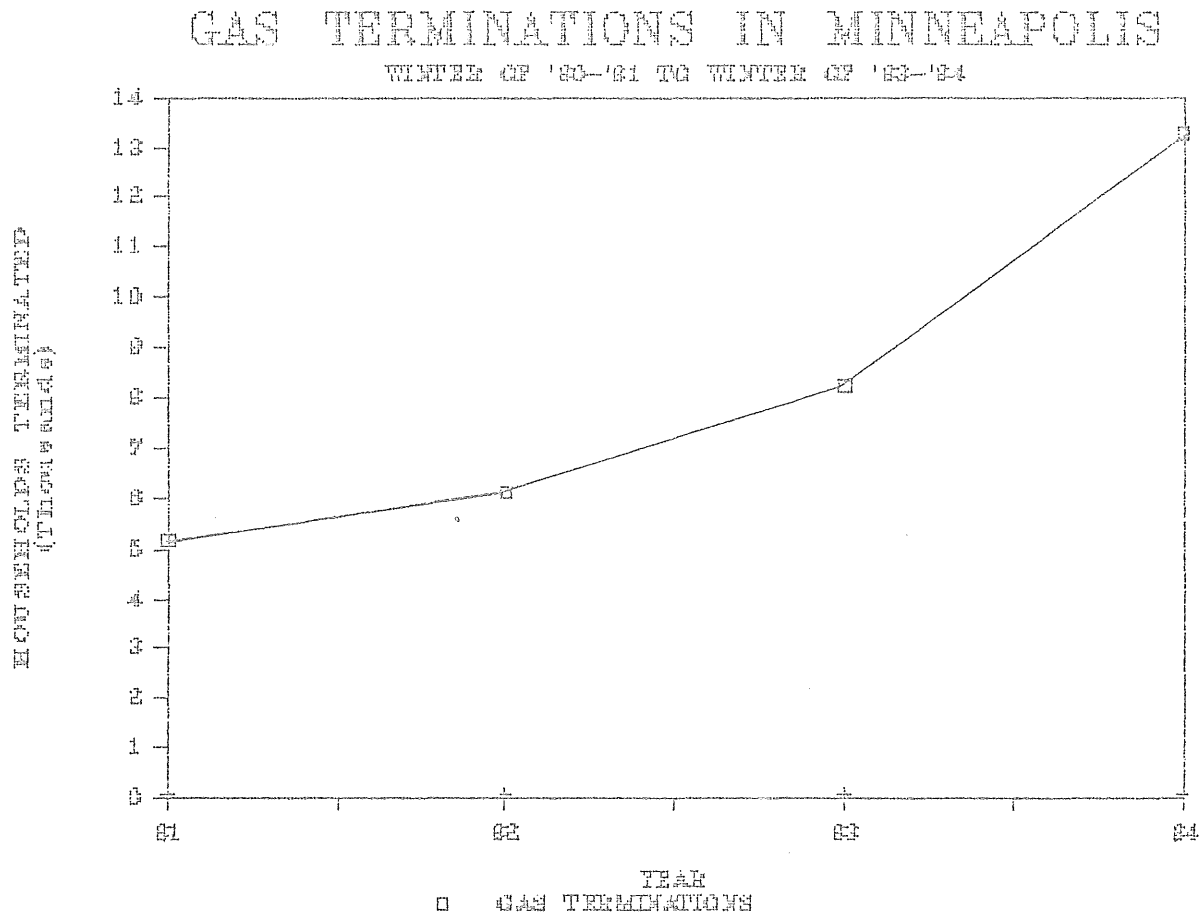
Sources:

*Eisenberg, Joel and Pwer, Meg. Energy Debts: The Coming Crisis for the Poor, Arlington, VA: National Consumer Law Center, 1983.

+Minneapolis Community Action Agency. Needs Assessment. Minneapolis, MN. 1984.

**Energy Assistance Program Arrearage Survey, St. Paul, MN, 1984.

FIGURE 8.1



Source: Minneapolis Community Action Agency, Needs Assessment,
Minneapolis, MN, 1984.

TABLE 9.A

PROFILE OF EMERGENCY SHELTER USERS

		Hennepin County Emergency Shelter Survey N=68 %	St. Paul Emergency Shelter Survey N=53 %			Hennepin County Emergency Shelter Survey N=68 %	St. Paul Emergency Shelter Survey N=53 %			Hennepin County Emergency Shelter Survey N=68 %	St. Paul Emergency Shelter Survey N=53 %
AGE	18 - 24	25.0%	22.6%	SOURCES OF INCOME	Steady Employment	2.9%	15.1%	CHEMICAL DEPENDENCY	Considers self chemically dependent	42.6%	30.2%
	25 - 31	23.6%	20.7%		Daily Labor	32.4%	26.4%		Admitted to Detox at least once in past	45.6%	43.4%
	32 - 40	22.0%	18.8%		Selling Blood	19.1%	28.3%		Been in residential treatment	45.6%	24.5%
	41 - 70	29.4%	37.7%		Panhandling	8.8%	5.7%		Has drug-related jail/workhouse/ prison stay	50.0%	34.0%
SEX	M	88.2%	81.1%	OTHER BENEFITS	AFDC	1.5%	1.9%	MENTAL HEALTH	Been hospitalized for mental health treatment	17.6%	17.0%
	F	11.8%	18.9%		GA	38.2%	26.4%		Received mental health services	25.0%	22.6%
RACE	White	60.3%	60.4%		Soc. Sec.	0.0%	0.0%		Been in state facility	10.3%	9.4%
	Black	17.6%	20.8%		SSDI	1.5%	3.8%		Clothing Shelves	60.3%	30.2%
	Hispanic	2.9%	3.8%		SSI	5.9%	0.0%	USE OF OTHER SERVICES	Drop-In Centers	52.9%	69.8%
	Am. Indian	19.1%	9.4%		MEED	25.0%	15.1%		Food Shelves	25.0%	17.0%
	Other	0.0%	5.7%		Vet's/Other Pension	0.0%	3.8%		Hosp. Emerg. Rooms	33.8%	35.8%
	Mixed	0.0%	0.0%		Food Stamps	54.4%	32.0%				
EDUCATION	Non-H.S. Grad.	N/A	21.0%		MA	27.0%	26.4%				
	H.S. Grad	N/A	79.0%		Other	7.4%	5.7%				
	Post H.S.	N/A	15.1%								

Sources: St. Paul Coalition for the homeless, "Emergency Shelter Survey Report," St. Paul, Minnesota, September, 1984
Hennepin County Office of Planning and Development, Results of the Emergency Shelter Survey Conducted February 29, 1984:
Preliminary Report," Minneapolis, Minnesota, March, 1984

TABLE 9B
PROFILE OF EMERGENCY FOOD SHELF USERS

	Tri-County CAP* Survey of Food Shelf Users N=86		Ramsey County Food Shelves		Tri-County CAP* Survey of Food Shelf Users N=86		Ramsey County Food Shelves
AGE OF HOUSEHOLD MEMBERS	Under 18	43.5%	N/A	SOURCES OF INCOME	Steady Employment	15.1%	15%
	19 - 60	45.4%	N/A		AFDC	19.2%	43%
	60+	9.1%	N/A		GA	2.9%	12%
	No Response	2.0%	N/A		Soc. Sec.	N/A	10%
SEX	M	40.7%		OTHER BENEFITS	SSI	1.0%	1%
	F	59.3%			UI	5.8%	3%
RACE	White	N/A	55%		MEED	0.0%	N/A
	Black	N/A	24%		Vet's/Other Pension	N/A	1%
	Hispanic	N/A	8%		Food Stamps	32.7%	39%
	Am. Indian	N/A	7%		Fuel Assistance	22.1%	N/A
	Asian	N/A	5%		WIC	6.7%	10%
				M.A.	9.6%	38%	
				Subsidized Housing	N/A	13%	

*Tri-County Community Action Program serves Lincoln, Todd and Morrison Counties.

Sources: Tri-County CAP, "Emergency Services Needs Assessment Survey of Food Shelf Participants,"
1984 Emergency Fund Service, St. Paul, Minnesota

TABLE 9.C
PROFILE OF ALL EMERGENCY SERVICES USERS IN HENNEPIN COUNTY

"Hardship in Hennepin County" Urban Coalition Survey of All Emergency Services Users N=951			"Hardship in Hennepin County" Urban Coalition Survey of All Emergency Services Users N=951		
AGE	Under 30	48.7%	SOURCES OF INCOME	Steady Employment	13.5%
	31 - 40	27.2%		Daily Labor	5.7%
	Over 40	24.1%		Selling Blood	7.9%
SEX	M	30.7%	OTHER BENEFITS	Panhandling	2.0%
	F	69.3%		AFDC	45.9%
RACE	White	57.3%		GA	7.0%
	Black	22.6%		Soc. Sec.	9.0%
	Hispanic	1.1%		SSI	7.1%
	Am. Indian	17.9%		UI	5.2%
	Other	1.1%		Vet's/Other Pension	1.5%
EDUCATION	Non-H.S. Grad.	42.6%		Food Stamps	38.3%
	H.S. Grad	35.0%			
	H.S. Grad. & Post H.S.	1.6%			

Source: Urban Coalition of Minneapolis, "Hardship in Hennepin County: 1983,"
Minneapolis, Minnesota, June, 1984.

APPENDIX II

RECOMMENDATIONS FOR THE ESTABLISHMENT
OF A DATA CLEARINGHOUSE FOR POVERTY AND
EMERGENCY NEEDS

RECOMMENDATIONS FOR THE ESTABLISHMENT OF A
DATA CLEARINGHOUSE FOR POVERTY AND EMERGENCY NEEDS

This set of recommendations envisions that a data clearinghouse will serve two main functions. It will be a repository of actual summary data relevant to poverty, basic or "emergency" needs, and human service delivery from a variety of state agency data bases. This data will be available on-line through an automated data base. It will also be available in print form.

The second main function will be to serve as a pointer to sources of data not actually available from the clearinghouse data base. It will be a catalog, with both automated and manual aspects, to data bases and data sources in other agencies as well as to one-time research projects and reports in relevant areas.

Other functions which the clearinghouse will perform will be dissemination of summary data on a regular basis and, at least initially, limited analysis of the data. Analysis and forecasting functions could be expanded at a later date. It is to be expected that once such an inter-agency data coordination effort is underway, the clearinghouse could be the focus for a number of changes in the data collection/dissemination area. It can point out where gaps in the currently available information need to be filled.

This proposal is not meant to be inclusive of every kind of data that is necessary to analyze the needs of low-income Minnesotans. Rather, it emphasizes data that is already available in several main topic areas, and it provides for the continuous monitoring of certain basic data elements.

The recommendations are as follows:

1. GOVERNANCE OF THE CLEARINGHOUSE

It is recommended that the governance of the clearinghouse be the joint responsibility of two state agencies, the Department of Economic Security (DES) and the State Planning Agency (SPA).

The Department of Economic Security has many management responsibilities in the area of provision of basic needs/emergency services to low-income Minnesotans. The agency has already established within its library a Poverty Data Center. The clearinghouse is a natural extension of this function. DES has also published, in cooperation with the Association of Minnesota Counties, a series of Poverty Monographs which can serve as a model for a quarterly newsletter of summary data and analyses of data coming through the clearinghouse. Much of the data to be added to the summary data base comes from files of the Department of Economic Security.

While DES is the logical administrative home for the clearinghouse, the Land Management Information Center (LMIC) of the State Planning Agency is the logical home for the automated portion of the clearinghouse data base. Although the LMIC originally focused on natural resource information, in recent years they have included much demographic information that is of crucial importance to human service agencies as well.

It is proposed that certain of the data elements in the clearinghouse be included in the LMIC database called DATANET. It is an on-line system which includes data on population, employment, housing and income. Users can dial into the system and retrieve information via telephone and computer terminal. DATANET already contains, or will soon contain, a good deal of information relevant to those interested in the needs of low-income Minnesotans. It includes over 70 tables developed for the Department of Human Services (DHS) based on the 1980 Census. These include many demographic, income and poverty statistics. Plans are underway to include certain labor force and unemployment statistics from DES as well as the Fiscal Health Monitoring System developed for cities and counties by the Office of the State Auditor. Other economic data as well as state revenue data are expected to be included as well. Having this related data available in the same data base would make the proposed clearinghouse even more effective. LMIC may be willing to share the initial costs of entering the clearinghouse data into DATANET for data elements useful to more than one agency.

Another advantage to storing the regularly collected data at LMIC is that the data files can be linked to the mapping and graphics files already available at LMIC. Maps of the data which can effectively show geographic distribution of certain data and relationships could also be made available to users.

Currently the proposal is to update the clearinghouse data store in DATANET quarterly, at a minimum. (Some statistics could be updated monthly, if resources were available to do this.) Constant updating is crucial to the success of a system which is trying to track change. It is recommended that this cost be shared also by the agencies that sponsor or collect the data in the first place.

There should also be a provision, either administrative or legislative, that encourages each agency that maintains a relevant piece of data to report it on an automatic basis to the data clearinghouse.

2. COOPERATION WITH OTHER AGENCIES' DATA DEVELOPMENT EFFORTS

The data clearinghouse staff should coordinate and cooperate with any other agency interested in setting up a similar or related data base in the subject area of poverty and human services.

3. SPECIFIC DATA ELEMENTS TO BE INCLUDED-SUMMARIZING EXISTING DATA

Listed below are the specific data elements that should be included in the initial development of the clearinghouse.

Detailed information is available on each data element and its host information system in the "Clearinghouse Systems Manual" under separate cover.

A. General Socio-Economic Indicators:

The following indicators should be recorded for the state as a whole and for each county.

1. Demographic characteristics from the 1980 Census (including income, household size and composition, poverty class, etc.). Key tables are already included in DATANET.

2. Economic indicators (from DES)

- a. labor force participation
- b. employment rate and numbers of employed
- c) unemployment rate and numbers of unemployed
- d) number of new claims for unemployment benefits
- e) number of claimants of regular benefits
- f) number of claimants of extended benefits
- g) number of claimants whose regular UI benefits are expiring
- h) number of claimants whose extended UI benefits are expiring
- i) dollar amounts of regular benefits paid
- j) dollar amounts of extended benefits paid

These data elements are available on a monthly basis. However, it is recommended that they be updated in DATANET on a quarterly basis at the outset.

3. Vital Statistics from the Department of Health

- a) number of marriages
- b) number of divorces
- c) divorce rate
- d) number and rate of unwed births
- e) number and rate of teenage births
- f) number and rate of infant mortalities

These data are available on an annual basis only and should be included in DATANET.

4. Fiscal Health Monitoring System from the Office of the State Auditor.

This system includes a number of indicators of a county's fiscal health including population change, changes in property values, building permits, per capita income, number of AFDC recipients, AFDC recipients as a percent of the county's total population, changes in revenues and expenditures.

This system has been updated annually and LMIC is working on plans to include this information in DATANET.

5. Other data elements which might serve as indicators are waiting lists for certain types of programs. The most reliable waiting list is for the WIC program, a program which gives supplemental food to low-income pregnant women and small children. Other program waiting lists, such as that for public or subsidized housing would have to be analyzed for the ability to contribute useful knowledge to the system.

B. Changes in Legislation and Administrative Procedures

Monitoring of changes in the legislation or administrative procedures governing the many available government assistance programs should also be carried out to help understand the likely changes in the demand for emergency or basic need services. Some over-all attempt should be made to look at the possible effects of changes that have already been made to forecast effects of impending changes that have been proposed.

This should be done on an inter-program, inter-agency basis since changes in one program, either in eligibility guidelines or funding levels, are likely to have impacts on the participation in other programs. The important step, beyond calculating financial impacts on the state, is to try and calculate the numbers of PERSONS likely to be cut from or added to one or more programs. If cutbacks of one kind or another occur in most or all of the government assistance programs, it is likely that many of the affected persons will turn to private programs to make up the difference in loss of income or services.

State and federal legislative and administrative changes should be monitored for at least the following programs: (state administering agency is indicated in parentheses)

1. Household Distribution of Commodities (DES)
2. Energy Assistance (DES)
3. Weatherization (DES)
4. Transitional Housing (DES/MHFA)
5. AFDC (DHS)
6. General Assistance (DHS)
7. General Assistance Medical Care (DHS)
8. Medical Assistance (DHS)
9. Minnesota Supplemental Aid (DHS)
10. Food Stamps (DHS)
11. Free, Reduced Price School Lunch (D. Ed.)
12. WIC (MDH)
13. Supplemental Security Income (federal program-no state administering agency)
14. Social Services Block Grant: Title XX (DHS)
15. Community Social Services Act (State Block Grant Program-DHS)
16. Community Health Services Act (State Block Grant Program-MDH)
17. Community Services Block Grant (Federal Program-DES)
18. National Housing Act
 1. Public Housing Program (no state agency administration-local housing and redevelopment authorities)
 2. Section 8 (MHFA and local HRA's)
 3. Section 236 (MHFA and local private banks)
 4. Section 202 (HUD and local non-profit developers)

C. Use Statistics from Income Maintenance and Low-Income Support Programs.

All data elements should be made available in summary form for the state and for each county, if possible. Data elements are listed

according to the program and the state agency from which they are administered. These data should be included in DATANET.

It should be noted that use statistics are not necessarily good indicators of the potential "need" for a service or even of those actually eligible for a service. The use of certain programs is influenced by a variety of factors including social acceptability, accessibility and local administrative procedures.

Another limitation of use statistics is that there is currently no way to ascertain the degree of overlap among the various government assistance programs, i.e., to tell the number of unique individuals or households being served or to tell how many programs a single household is utilizing. This type of information is definitely needed but will have to be acquired in a different way. (See the section on "Other Recommendations.")

1. Department of Economic Security

For the following programs, the data elements that should be monitored regularly include:

- a) number of (unduplicated) individuals served
- b) number of (unduplicated) households served
- c) dollar value of the allocations

The programs that should be included are:

- a) Household Distribution of Commodities
- b) Energy Assistance
- c) Weatherization (to the extent that it is possible to aggregate this up from the CAP level. Data is not currently centralized at the state level.)
- d) Transitional Housing. This is a new program funded and operated jointly with the Minnesota Housing Finance Agency. Although there is no data yet available, use of this program should be monitored in the future.
- e) Community Service Block Grant Program (CSBG). Efforts are currently underway to improve reporting in this area. Plans are for CAPS to begin reporting some use statistics back to the state level on a regular basis.

2. Department of Human Services

The same data elements listed above should be monitored regularly for the following programs:

- 1) AFDC
- 2) General Assistance (GA)
- 3) General Assistance Medical Care (GAMC)
- 4) Medical Assistance (MA)
- 5) Minnesota Supplemental Aid (MSA)
- 6) Food Stamps
- 7) Refugee Cash Assistance

AFDC, GA and Food Stamp Programs also have separate "emergency" components which should be monitored if possible. These data may be difficult to interpret, however, due to differences in local administration.

Dollar totals of allocations should be summarized annually. Quarterly "snap-shots" of programs use should also be entered into the data base.

For the following programs, only dollar allocations to counties and other local administering agencies should be recorded:

- 1) Social Services Block Grant Program:
Title XX (Federal Program)
- 2) Community Social Services Act Block Grant Program
(State Program)

Numbers of persons served and client characteristics are not available on a consistent and reliable basis for these programs.

3. Department of Education

The following data elements should be included for the Free and Reduced Price School Lunch Program for the months of October, January and April:

- 1) total enrollment
- 2) number of students approved for free meals
- 3) number of students approved for reduced price meals
- 4) number of free meals served
- 5) number of reduced price meals served

These figures are available both by school district and also by county. To facilitate comparisons with other sets of data, it is recommended that the county figures be utilized in DATANET. School district figures could be kept in manual files at the Poverty Data Center in DES.

4. Department of Health

Part of the Health Department's set of relevant data has been included in the general socio-economic indicators. The one program that they operate for limited-income persons is WIC, the supplemental food program for pregnant women, nursing mothers and children under the age of 5. Use statistics are available by project area, usually a multi-county area. The following data elements should be monitored on a quarterly basis and entered into DATANET:

- 1) number of women on the program, by race
- 2) number of children on the program, by race
- 3) amount of money allocated, by project area

D. Private Program Use Statistics

There are two major sources for this type of information: the food shelves and the providers of emergency shelters/housing. They cover certain local areas only and the statistics should be used with care.

1. Food shelf use. The Minnesota Foodbank Network is beginning to collect quarterly food shelf use reports from the 250+ food shelves

around the state that receive food allocations through Minnesota Foodshare. Because future food allocations are tied to reporting of past use figures, compliance among food shelves has been very high. The data elements which will be available on a quarterly basis are:

- a) number of households served
- b) number of individuals served
- c) numbers of meals distributed

This data might be displayed in DATANET in regional groupings since displaying these figures by county would be somewhat misleading.

2. Emergency shelters/housing: There is no central reporting point for this data. It could be approached by obtaining quarterly use statistics from the major providers in the major population centers, Hennepin County, Ramsey County and St. Louis County. There is a great deal of variation in the definition of "emergency housing," "emergency shelter," and "transitional housing," and this type of data should be used very cautiously. It is not appropriate, either, to equate emergency housing/shelter use with the number of Minnesotans who are regarded as "homeless."

These private provider use statistics could be kept in manual files at the Poverty Data Center in DES and their limitations carefully explained to potential users of the information.

E. User/Client Characteristics:

To set a better understanding both of the government assistance system and of the emergency needs provision system, it is necessary to find out what the characteristics of the users are and how these characteristics change over time. Better understanding of these characteristics should lead to better and more appropriate policy decisions.

This kind of information is client-based and addresses such questions as multiple use of programs (both public and private) and demographic characteristics of clients. It would help to answer the questions of whether food shelf use, for example, has increased due to a basic change in the client's life circumstances or due primarily to a change in coping strategies to deal with circumstances that have remained essentially the same.

There are several possible sources for this type of data. Some client demographic characteristics are stored in the Welfare Information System (WIS) at the Department of Human Services (DHS). It appears that, through WIS, some information could be extracted from application data for GA, AFDC, GAMC and MA.

Some food shelves around the state do collect certain demographic information, usually on an application form, when clients come in to register for the first time. A network of these food shelves around the state could be built up who could report summaries of user characteristics on an annual basis. These reports could be monitored for changes in the type and status of clients utilizing those food shelves. Occasionally, food shelves report client characteristics to

a regional agency. Arrowhead EOA takes application forms from many of the food shelves in the Arrowhead Region and enters that information into a sub-system of MCADS, the community action data system which is used by the state's community action agencies. Monthly summaries of a number of characteristics are available from Arrowhead EOA.

Local CAP agencies also collect certain demographic information on those other public programs that they administer such as Energy Assistance, Weatherization, Head Start and others. One application form is used for all of these programs and some of the demographic information is stored in MCADS. However, this data is not currently reported up to the state level and, in addition, not every CAP operates the same set of programs. Although some data are available through this system, it is difficult for the state to get access to it.

Minnesota Housing Finance Agency also keeps a record of changing demographic characteristics of the majority of the residents in the buildings that MHFA has financed, both subsidized and market-rate units. This information will be updated annually and within the year will be on an automated system on the VAX 11-780 at the MHFA.

When the clearinghouse is able to obtain such client data, it should be stored initially in the Poverty Data Center. It could be considered for inclusion in a LMIC database at a later time.

F. Forecasting Efforts:

One of the major issues identified by the Issues Team was that of attempting to forecast likely demand on the emergency service network. It is hoped that eventually the data clearinghouse will develop some of its own forecasting abilities.

As a first step, it is recommended that the clearinghouse identify relevant forecasting efforts already on-going in the state that touch on the issues of poverty and emergency services. The clearinghouse should then set the results of these programs on a regular basis and report summaries of the results through their quarterly newsletter. In addition, printed documents from each of these could be made available at the Poverty Information Center at DES.

Another Issues Team, the Long-Term Trend Analysis Task Force, has begun to identify a number of such efforts. The following trend analysis activities are relevant to the interests of the clearinghouse.

1. Minnesota Economic Forecasting (Dept. of Finance)
2. Operations Analysis in the Bureau of Income Maintenance (Dept. of Human Services)
3. Long-term Employment Forecasts (Dept. of Revenue)
4. Social Services Forecasting Project (State Planning Agency)
5. Unemployment Insurance Fund Variable and Labor Force Forecasting (Dept. of Ec. Security)
6. Trend Monitoring through DATANET (LMIC, State Planning Agency)
7. Demographic Projections (Demographer's Office, SPA)

4. SPECIFIC DATA TO BE INCLUDED - ORIGINAL RESEARCH

A. Needs which the data clearinghouse will not fill

Although there is much data and information generated by the state relevant to the issues of poverty and emergency needs, there are limitations on the available data.

Program use data should be tracked but it does not give a complete picture if one is trying to determine the "need" for a particular service. It does not address the number of people who are already eligible for the service but who do not, for one reason or another, use the program. There are also people who may be considered to need the service but who are not eligible under current guidelines.

The program use data that is available also does not successfully address the interactions among the various programs. It can only identify in a limited way persons who are multiple program users.

In addition, it should be noted that some of the data from the 1980 Census is no longer relevant. The state's employment/unemployment data tends to mask the problems of "underemployment" and the "discouraged worker." These problems are particularly relevant to the population which tends to rely on government assistance and emergency services.

In the area of client/user data, there is little or no information on how people were managing before they started using government assistance or food shelves as resources. The client data that is available tends to be scattered and of mixed quality.

To successfully meet these data needs, some of which are crucial to better understanding of the way the assistance/emergency service provider system operates, other actions will be necessary. The following two recommendations begin to address these information gaps. The first requires an interagency effort which would operate independently of the data clearinghouse but which would provide information to the clearinghouse. The second is an activity which might be eventually taken on by the clearinghouse itself.

B. Minnesota Center for Social Research: Participation in an Annual Survey of the State of Minnesota.

In the fall of 1984, a consortium of Hennepin County, Ramsey County, and the cities of Minneapolis and St. Paul will sponsor a survey to be undertaken by the Center for Social Research at the University of Minnesota. This Twin Cities Area Survey includes a public policy issues section. This year, the random sample of Twin Citians will be augmented with an additional low-income sample. A number of questions designed to update demographic information from the 1980 Census will be asked to obtain information on the use patterns of government and private assistance programs, and to ascertain employment patterns among low-income persons. Specifically, the topics will include: social service needs of the elderly, basic needs of low income persons, specialized services to minority populations, social services coordination, the delivery of economic assistance programs, health and child care issues, residential facilities for special populations, the assessment of the numbers of persons seeking employment and their characteristics, and an assessment of attempts of various hard-to-employ groups to enter or re-enter the labor market. A survey such as this would definitely help answer

a number of questions that public agencies have been asking for a long time.

Current plans are to make this Twin Cities Survey a longitudinal one, in which the same families and individuals will be interviewed each year to track changes in their economic and social circumstances.

The fall survey will cover only the Twin Cities Metropolitan Area. It is therefore recommended that the state participate in and fund a similar survey with a similar additional low-income sample to be done state-wide in the spring of 1985. Although definite cost estimates are not yet available, it appears that the statewide survey, which is also conducted by the Minnesota Center for Social Research, could be done for about \$100,000, a small fraction of what the state spends each year on income maintenance program alone.

The information gained from this type of survey would have application to the policy and program planning activities of at least 10 state agencies. If a number of these agencies were to recognize the value of this kind of information and share the costs of the survey, the cost to each agency would be quite small and a wise investment of their resources. The Emergency Needs Issues Team should undertake the responsibility of putting this proposal together.

C. Food Shelf Data: Building a Regular Survey of Food Shelves on Client Characteristics.

There are over 250 food shelves around the state who currently participate in Minnesota Foodshare. A small number of these keep reliable information on the characteristics of their clients. The data is usually collected from some sort of an application or registration form. There are also a few food shelves who have computerized this kind of data; e.g. those who use the Arrowhead EOA foodbank report data into a subsystem of MCADS. There are others who keep some information in a local microcomputer. With some additional work and perhaps a small amount of funding, the clearinghouse could undertake the development of a regular reporting network that would represent the major regions of the state. Although this would not be a statistically reliable sample, it would give additional valuable information on the major food provision portion of the private emergency needs delivery system.

5. OUTPUT/PRODUCTS/DISSEMINATION EFFORTS

It is recommended that there be a variety of products and forms of output from this data clearinghouse. There will be both automated and manual files.

A. Automated files.

The automated files should consist of basic statewide and county statistics such as socio-economic indicators, demographic characteristics and program use summaries. These quarterly and annual summaries should be stored in DATANET.

There would be two points of access into the DATANET files. DATANET plans to accept subscribers to that service beginning in the fall of 1984. Current plans are to charge \$12.00 per hour (during normal business hours; \$8.00 during the evening) of searching/computer

time to subscribers with no initial fee. Subscribers can then dial directly, utilizing a terminal, modem and telephone, into the Prime computer which houses DATANET. A second method of access for persons not planning on being regular users will be to call the Poverty Data Center at the DES library. The library has telecommunications capability and the library staff can dial into DATANET and retrieve the desired information.

The other major form of automated data would be an on-line catalog of other data sources useful to persons interested in the issues of poverty and emergency needs. This catalog could contain such types of information as: brief descriptions of proposed state agency research and RFP's; on-going research and research contracts; bibliographic descriptions of regularly issued state reports or reports from one-time research efforts funded by the state. Such an on-line catalog could be stored in a TERMS text-type database at the LMIC or in a local micro-computer at the DES library.

B. Manual Files.

These files would contain: printed reports of relevant statistics from various state agencies; printed use summaries that are not included in the DATANET database; printed summaries of user characteristics obtained from other agencies' automated systems; and a series of county profiles based on the DATANET files.

C. Quarterly Reports.

It is also recommended that the clearinghouse put out regular quarterly reports that summarize recent findings and trends and keep the potential user up-to-date on the information available through the clearinghouse.

6. MARKETING

It is recommended that the state recognize the need to market the information to be collected and centralized in this clearinghouse. Many useful state efforts do not get utilized because potential users, both public and private, do not realize that the resource exists.

At a minimum, brochures should be printed and distributed that announce the establishment of a poverty and basic/emergency needs data clearinghouse.

7. FUNDING LEVEL

In 1984, over \$1.5 billion of public monies will be spent in Minnesota to fund programs in the areas of income maintenance, medical care, food, fuel, shelter and emergency services for low-income Minnesotans. It would seem reasonable that the state spend in the neighborhood of \$100,000 per year to centralize and make accessible information about where and on whom that money was spent.

Funds must be made available to establish the clearinghouse and also to ensure that the information is updated regularly.

The following is an estimated budget for the first year's cost to establish the data clearinghouse:

A. Personnel:

--Research Analysis Spec. \$26, - \$34,975

--Clerk-Typist II (half-time) \$8403 - \$9933

(These figures include fringe benefits)

B. Computer and Miscellaneous Costs:

--Computer Costs:

Initial data base design and data entry - \$8,000 - \$12,000

Data entry - 4 quarterly updates - \$3,000 - \$5,000

Searching time on DATANET 200 hours at \$12.00 per hr. \$2,400

Data storage - \$300

--Miscellaneous Costs \$1,000

Printing: \$1,600 - \$2,000

Postage - \$250

Brochure - \$250

Miscellaneous office expenses (postage, xerox, supplies, etc)-\$2000

C. Original Research Costs

--Center for Social Research - \$100,000

D. TOTAL: \$152,643 - \$169,108

8. "FUTURES"

The concept of a data clearinghouse that cuts across agency lines and which requires interagency cooperation and participation is an important one. It is also an activity which, in the best of all possible worlds, might lead to other valuable functions.

If proposed research efforts were entered into a common data base, it could perhaps reduce duplication. Similar or related projects could be incorporated into cooperative efforts which could maximize the dollars spent on research.

The data clearinghouse could become the nucleus of forecasting activities among the various private and public agencies responsible for getting services to low-income Minnesotans. It could tie in with the efforts of the Long-Term Analysis Task Force to facilitate multi-agency projections.

It could provide a model for the development of similar inter-agency regional data clearinghouses.

A data clearinghouse recognizes the concept that information is a resource that the state should maximize. This concept is gaining wider acceptance at the state level.

It recognizes the reality that, despite the decentralization of information storage, especially automated data, some information must be reaggregated so that the broader picture is not lost.

It also recognizes the reality that certain issues cut across agency lines and that cooperation on any level should be encouraged. The state could encourage such interagency efforts by developing mechanisms that would make it easier to fund projects in which several agencies wish to participate.