



February 24, 2021

Dear Members of the Saint Paul City Council:

As you begin deliberations on Ordinance 21-10, Children's Defense Fund - Minnesota (CDF-MN) appreciates the opportunity to share our strong support of the People's Prosperity Pilot and efforts to further support St. Paul children, youth and families.

CDF-MN is committed to ensuring every Minnesota child has a Healthy Start, a Head Start, a Fair Start, a Safe Start and a Moral Start in life and successful passage to adulthood with the help of caring families and communities. CDF-MN does this through policy development, education and advocacy, youth development, community engagement and organizing and finally research and analysis.

CDF-MN has developed two on-line tools that have allowed us to help families better understand public benefits. The Bridge to Benefits tool helps families identify and access public benefits for which they may be eligible and our Economic Stability Indicator (ESI) Tool helps families better understand their financial position by looking at the intersection of wages, public benefits and tax credits. Both tools conduct a fairly fast screening and do not require any private data from families in order to use the tools.

ESI demonstrates the interactions between wages, work support programs, tax credits and tax liability and how all these elements can and can't fill the gap between low-wages and basic expenses. CDF-MN has used it to help policy-makers better understand how current and proposed legislation and tax policies can either further support family economic stability or create "cliff effects" and other unintended consequences. We have also used it to further illustrate the difficult decisions families in low-income households must make to make ends meet, especially when programs aren't fully funded.

Finally, CDF-MN has worked with counties and community-based organizations working directly with families to help support their collective understanding about wage and program interaction so they can make informed choices about employment and program use. The tool includes the following programs: Supplemental Nutrition Assistance Program (SNAP), Medical Assistance, MinnesotaCare and APTCs, School Meal, Child Care Assistance, Energy Assistance, WIC, Earned Income Tax Credit, Working Family Credit, Child Tax Credit, Federal and State Child Care Tax Credits, Minnesota Family Investment Program (MFIP), and Section 8 Housing.

In the early stages of planning, the Mayor and his staff in the Office of Financial Empowerment reached out to CDF-MN about the ESI tool to better understand how the guaranteed basic income pilot could affect eligibility for these programs and to explore a process to help families fully understand the opportunities and potential drawbacks of participating in the pilot in the context of other public benefits they were currently receiving.

As the Mayor's office moved to implementation, they contracted with CDF-MN to train city staff and financial workers to use the ESI tool when working with families and provide on-going technical assistance as public program shifts take place - those related to policy changes at state and federal level and those related to the pandemic. They formalized this work with CDF-MN because of the importance they place on the need for accurate and timely information when working with families. As families made decisions about participation in the pilot, it was based on information garnered from the ESI tool, the expertise of the financial workers and a family's strong understanding of its own needs.

The Mayor's office has put together a strong group of advisors as well, so that we are consistently reviewing information and feedback from financial workers and families about the ESI tool and what it reveals about public benefits.

As a policy and advocacy organization, we have been working at the nexus of understanding the complexity of what is needed for a family to achieve economic security. Comprehensive, holistic, public supports are necessary for children, youth and families to thrive. They are necessary to address structural and systemic racism and classism that inform systems of public support and wages. Programs are needed to address the underlying mental models that undergird the way in which systems operate and function. It is our belief that the work of the People's Prosperity Pilot is an important step in supporting families right now and an important step to address the systemic way in which Black, Indigenous and people of color have been excluded from opportunities essential to achieving their fullest aspirations.

For more information about CDF-MN and particularly ESI, please go to our website at www.cdf-mn.org or contact me at bwahi@childrensdefense.org.

Sincerely,

A handwritten signature in cursive script that reads "Bharti Wahli".

Bharti Wahli
Executive Director