



Legislation Text

File #: Ord 22-28, **Version:** 1

Amending Chapter 2.02 of the Administrative Code pertaining to the duties of the Office of Financial Empowerment; authorizing support for early learning.

WHEREAS, the Office of Financial Empowerment was created with the following goals: to help Saint Paul residents achieve financial health; to help Saint Paul neighborhoods achieve community wealth; to ensure Saint Paul residents live in stable, accessible, fair, and equitable communities; and to ensure Saint Paul community members are engaged in community and public decision-making; and

WHEREAS, the Office of Financial Empowerment administers programs that focus on the economic stability of Saint Paul families and the future academic success of children with their CollegeBound Saint Paul program; and

WHEREAS, according to 2015-2019 American Community Survey data, there are approximately 8,349 three and four-year-old children living in Saint Paul, with approximately 4622 (55%) living at or below 185% of the federal poverty level; and

WHEREAS, Minnesota is the fourth-most expensive state for childcare, putting a strain on Saint Paul families and sometimes forcing parents out of the workforce; and

WHEREAS, Minnesota has some of the worst education inequities in the nation, and researchers have found that “the persistence of the educational achievement gap imposes on the United States the economic equivalent of a permanent national recession”; and

WHEREAS, the National Institute for Early Education Research reports that a universal early childhood program, which increases the enrollment of children from low-income and ethnic/racial minority families, could have powerful effects in reducing the kindergarten entry achievement gaps; and

WHEREAS, children who attend quality early learning programs are more likely to read proficiently by the third grade, more likely to graduate, more likely to attend college, and therefore achieve future economic success; and

WHEREAS, the lifetime economic values of investing in healthy development and school readiness for each low-income child at risk of school failure in Minnesota is estimated at \$43,000 per children, due to savings in health care, MFIP and food assistance, reduced substance misuse, additional income tax, and other factors; and

WHEREAS, the most frequently cited barrier to women’s economic security was the lack of affordable, accessible childcare, and in Minnesota, single parents pay 56% of their income for infant center care, and 97% of their income for center care for two children; and

WHEREAS, early learning programs have been shown to increase labor force participation among adults, contributing to the financial security of families; and

WHEREAS, after Washington, D.C. offered public preschool to all families, parents living under the federal

poverty line saw a substantial increase in labor force participation, rising from 15% to 55%;and

WHEREAS, economists have concluded that investment in quality early learning programs can return up to \$16 for every \$1 invested; and

WHEREAS, the Council desires to revise Section 2.02 to expand the functions of the Office of Financial Empowerment to include support for early learning programs; now, therefore, be it

RESOLVED, that the City of Saint Paul does ordain:

SECTION 2

Section 2.02 of the Administrative Code is hereby amended as follows:

Sec. 2.02. - Administration

- (8) *Office of financial empowerment section.* Within the office of financial services, there will be an office of financial empowerment section (OFE). The manager of the OFE will be the director of financial empowerment (DOFE). The DOFE administers the affairs of the OFE. The DOFE has general authority and control over all OFE staff and oversees the proper fulfillment of all tasks and duties assigned to the OFE. The DOFE designs policies and procedures for the proper operation of the OFE. The functions of the OFE are:
- a. *Financial empowerment programs.* The OFE may create and administer educational programs regarding financial capability, financial consumer protection, community wealth and asset building, and fair housing for residents of the city; and
 - b. *Partnerships.* OFE may partner with city departments and external organizations to execute such financial empowerment programs; and
 - c. *Research.* OFE may conduct and/or commission research studies to inform OFE program selection and implementation; and
 - d. *College savings accounts.* OFE may develop and administer a college savings account program and related policies and procedures; and
 - e. *Fair housing program.* OFE may develop and administer a fair housing program related to economic justice and tenants' rights, and may collaborate with other city departments on fair housing strategies, policies and procedures; and
 - f. ~~Other programs. Oversight and administration of such other programs the city council may enact that delegate responsibility to the department.~~
 - f. Early learning program. The OFE may create and administer an early learning program aimed at cutting opportunity and achievement gaps, decreasing poverty rates, and providing economic support to families struggling with the cost of childcare; and
 - g. Other programs. Oversight and administration of such other programs the city council may enact that delegate responsibility to the department.

SECTION 3

This Ordinance shall take effect and be in force thirty (30) following passage, approval, and publication.