

62-CV-11-5203



Together we can end homelessness in Minnesota

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
To: Special Master, the Honorable Kathleen Blatz

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Re: Funding Programs that Address Homelessness during  
State Government Shutdown

Date: July 1, 2011

By  Deputy

Programs addressing homelessness should be funded during a state shutdown because they are core services addressing the life, health and safety of Minnesota citizens.

### This memo:

- Describes the most critical programs serving people who are or have been homeless that are not now funded through the Court's order,
- Summarizes the impact of withdrawing funding from these programs, and
- Shows how withdrawing the funds will impact the life, health and safety of Minnesota citizens.

### Programs Addressing Homelessness

The State, through its Departments of Human Services and Housing Finance, operates grant programs targeted directly at individuals and families with children that have been homeless or are at risk of homelessness. In establishing programs focused specifically on this population, the State, through its Legislature and Governors, has recognized that people who are homeless are particularly vulnerable. While extremely poor and often ill, they cannot always access the mainstream benefits that will be available even throughout the shutdown. And when they access benefits, they do not have the kind of housing they need to remain safe and stable—the kind of housing provided and supported by the programs at issue. In short, homelessness is a direct threat to life, health and safety. During the shutdown, the State should make every effort to prevent more people from becoming homeless in Minnesota.

### The most significant programs serving people who are homeless and at risk of homelessness are:

#### *The Long-Term Homeless Supportive Services Fund (Minn. Stat. §256K.26)*

Administered by the Department of Human Services, provides services to individuals, youth and families in supportive housing. People receiving services from this Fund have long histories of homelessness. In fiscal year 2010, 72% of people receiving services through the Fund had a disability; 55% had a mental illness. 42% of the households receiving services were families with children under 18. In 2010, the Long-Term Homeless Supportive Services Fund served 1,689 households. The biennial budget for the program was \$12.8 million.

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*The Family Homeless Prevention and Assistance Program (FHPAP) (Minn. Stat. 462A.204)*

Administered by the Minnesota Housing Finance Agency, provides direct assistance and services to households at risk of losing housing and those recently homeless. The program served 9,645 households in state fiscal year 2010. The biennial budget for the program was \$14.9 million. The FHPAP program provides direct assistance such as short-term rent, damage deposits, and utility assistance, as well as support services that help keep people housed.

*The Transitional Housing Program (THP) (Minn. Stat. §256E.33)*

Administered by the Department of Human Services, Office of Economic Opportunity, provides housing and services for individuals and families who have been homeless. The program served 3,812 individuals in state fiscal year 2010. The biennial budget was \$5.9 million. The Transitional Housing program provides grants directly to nonprofit organizations that operate housing programs. Funds are used for housing and services that keep people in housing.

*Emergency Services Grants (Minn. Stat. §256E.36)*

Provides shelter and services to people who are on the streets. The main use of these grants is to keep shelter open for individuals and families who are homeless. In state fiscal year 2010, an appropriation of \$688,000 served 3,980 individuals.

*The Runaway and Homeless Youth Program (Minn. Stat. §256K.45)*

Provides housing and services for youth who are homeless or at risk of homelessness. In state fiscal year, an appropriation of \$218,000 served a total of 586 youth.

**Impact of Halting Funding to these Critical Programs**

The Minnesota Coalition for the Homeless surveyed programs serving people who are homeless to ascertain the impact of a withdrawal of state funds. A state shutdown does not affect all homeless individuals and families in the same way. Here, however, is a sampling of responses from nonprofits serving people who are homeless or at risk of homelessness:

- THP provides housing for battered women.
- Homeless prevention and housing assistance keep families off the streets.
- If the government shuts down, there will be literally nowhere for people to turn if they are homeless.
- We serve American Indian women and children with multiple needs. The loss of this fund (FHPAP) will immediately cause 50-75% of those families to lose their housing.
- Our programs are in rural Central Minnesota where funding is limited. We serve homeless families with children. We depend on state funding. (The loss of funds) would impact the health and safety of all our families especially the children.
- All clients will lose services, including girls who have been trafficked into commercial sexual exploitation, and families in the child welfare system who are ICWA (Indian Child Welfare Act) eligible.
- Clients (many of whom are in actual crisis) will be turned away as there will not be staff nor funding to serve them.
- It would almost completely eliminate our homeless program here on the Leech Lake Reservation.

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*Programs addressing the basic needs of individuals, youth and families with children that are homeless or at risk of homelessness address the "life, health and safety of Minnesota citizens."*

The fundamental issue in funding programs serving people who are homeless or at risk of homelessness is that these programs provide housing for very vulnerable people. Housing is critical to safety, to health and to life itself. Children without housing are traumatized—and this is trauma that often has a life-long impact. Adults trying to survive on the streets are easy prey for those who would harm them. Families living in cars cannot provide for their basic hygiene and health needs. These situations all result in deteriorating health and threaten life itself.

There is no difference in impact on life, health and safety between programs included on the Court's list of funded programs and those excluded from the list.

The Court includes on its list of programs to be funded during a shutdown the income support and medical programs impacting the same population served by programs to address homelessness. The funds addressed in this memo may provide the same benefits for people who have not yet established eligibility for the programs being funded or they may provide benefits (such as medication management) that enable people to make use of their mainstream benefits. In either case, the need is as great and the goal of providing core services is the same.

The Court also includes on its list of programs to be funded during a shutdown "minimal support of housing assistance programs," recognizing the importance of maintaining housing for low-income households and those with disabilities. Similarly, the funds addressed in this memo provide housing assistance for vulnerable families and individuals.

Finally, programs serving people who are homeless are, in many instances, providing the "basic custodial care" determined by the Court to be a "core function" of state government. (Order, p. 9) This is particularly true when programs fund shelter and services needed to help people maintain their housing.

Attachment:

- Wilder Research, "Homeless Children and their Families"

## Homeless children and their families in Minnesota

Homelessness is especially traumatic for children. It exposes them to experiences that cause toxic levels of stress – violence, inadequate nutrition, inadequate sleep, and disrupted relationships, to name just a few – which can take a toll on their physical and emotional growth and their ability to learn. Wilder Research’s 2009 statewide study of homelessness found more children than ever who were exposed to these risks.

This issue brief presents key facts from the study to help identify what this level of homelessness means to Minnesota.

### **3,900 homeless children per night in Minnesota: Largest number yet**

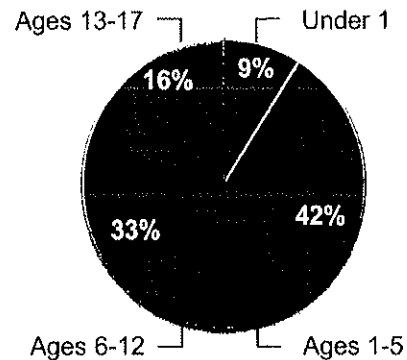
Since the study began in 1991, children and their parents have been the fastest-growing segment of the homeless. On October 22, 2009, the study counted 1,675 homeless families with 3,251 children age 17 and younger, up 19 percent from the previous study in 2006. We estimate there are actually around 3,900 homeless children on any given night, and over the course of a full year more than 14,000 children experience homelessness.

### **Half of homeless children are 5 or younger**

Half of Minnesota’s homeless children are 5 or younger, including nearly 1 in 10 who are under one year old. It is during these most formative years that the risks associated with homelessness are most likely to negatively affect development.

These effects multiply when several risk factors are combined, such as chronic poverty, neglect or abuse, exposure to parental mental illness or substance abuse, or exposure to violence. Each of these risk factors – higher among homeless families than those who live in stable homes – raise the odds of long-term harm to the child’s learning.

### **AGES OF HOMELESS CHILDREN**



Data show that homeless children enter kindergarten equally capable but less prepared for success. Worse yet, on average, they lose ground each year in school achievement compared to their peers.

The effects of these problems can be minimized, however, through effective services to homeless children and their families such as Head Start and other early learning programs. These programs help to support their developmental needs and daily stability.

Unfortunately, while the proportion of homeless children in Head Start or other early childhood programs has been increasing since earlier surveys, only 40 percent are enrolled in these programs.

### **One-third of homeless parents were homeless themselves as children**

Thirty-four percent of homeless parents have themselves experienced homelessness as a child. This is a significant increase from the 25 percent of parents in the 2006 study.

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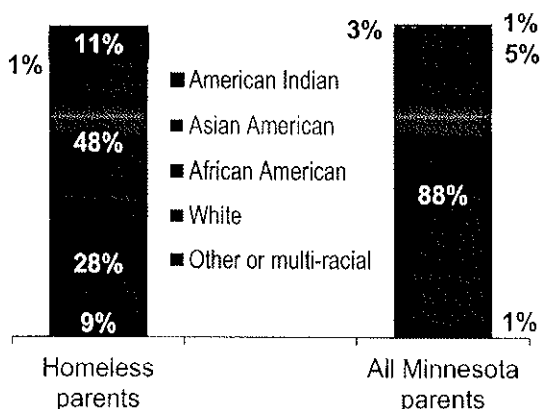
Reflecting the effects of chronic, toxic stress, parents who had been homeless before compared to those experiencing homelessness for the first time were more likely to report higher rates of most health disabilities, more experiences of violence, and lower employment rates. Not surprisingly, they also more often reported that their children had emotional and school problems.

These patterns suggest that if we do not break the cycle of intergenerational homelessness, the numbers will continue to grow from year to year. This represents a serious loss of human potential, as well as unnecessary future costs.

### Racial and ethnic minorities are disproportionately affected

African American and American Indian families are more than 30 times as likely to be homeless as their white neighbors in Minnesota. These racial disparities, similar to those for homeless people of all household types in the state, have persisted since the first study in 1991. They reflect persistent and systematic biases in educational, housing, and job opportunities.

#### RACE AND ETHNICITY



### Child and family homelessness is a homegrown problem

More than four out of five homeless families had stable housing in Minnesota at some point before they became homeless. Three-quarters were living in Minnesota at the time they became homeless. Of those who had been in Minnesota for less than two years, one-third had lived here before.

### Causes of homelessness among families are primarily economic

The top three reasons cited by parents for becoming homeless were the inability to pay the rent or mortgage (cited by 45% of parents), loss of a job or cutback in work hours (37%), and eviction or non-renewal of a lease (36%).

One-quarter of parents (24%) had been laid off within the six months before the survey. Only 11 percent of this group had received unemployment benefits.

The combination of high housing costs and low wages puts many families at risk. In 2009, fair market rent for a two-bedroom apartment in the Twin Cities area was \$873, but the median monthly total income of homeless parents was only \$532. Nearly two-thirds of homeless parents were on a waiting list for subsidized housing, but this program is not able to serve all those who need it. On average, these parents had been waiting 13 months. Another 16 percent of parents had tried to get on a waiting list but had been turned away because the lists were full and not accepting any new people.

To address homelessness it is critical to confront its economic causes. This requires a safety net that includes education and employment prospects as well as affordable housing, Earned Income Tax Credits, and rent and utility subsidies.

## Wilder Research

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#### For more information

This summary presents highlights of the 2009 *Statewide Survey of Homelessness*. For more information on homelessness in Minnesota go to [www.wilder.org/homelessness.0.html](http://www.wilder.org/homelessness.0.html).

For more information about this report, contact Ellen Shelton at Wilder Research, 651-280-2689.

March 2011