Moving the Needle on Poverty: An Up-to-Date Look at What States Are Doing To Alleviate Hardship Among Children and Families

COLORADO CHILDREN'S CAMPAIGN

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For additional information about this report, please contact the Colorado Children's Campaign at (303) 839-1580.
I. Introduction and Key Findings

An overview of why and how the Colorado Children’s Campaign prepared this report and the diverse strategies states are pursuing to lift children, families and communities out of poverty.

II. State Poverty-Reduction Initiatives from Across the Country


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A brief review of policy options.

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At the beginning of the decade, Colorado had the fifth-lowest overall poverty rate in the United States, but the state has been steadily losing ground. Since 2000, Colorado has gone from about 10 percent of children living in poverty to nearly 16 percent in 2007. What that means in real lives is that the number of Colorado children under the age of 18 living in poverty climbed from about 104,000 in 2000 to more than 190,000 in 2007. And nearly half of those youngsters are living in “extreme poverty,” which is defined as living in a single parent household with an income below $7,000 a year or on less than $11,000 for a family of four.

Colorado is one of eight states that faced increasing rates of child poverty between 2000 and 2007. By contrast, many states managed to at least hold the line on this front, and some made notable progress. So while Colorado remains below the national average of about 18 percent of children living in poverty, the state is moving in the wrong direction.

There is no single reason for the dramatic rise in poverty. While factors such as immigration, population increases and births to single mothers, among others, correlate with the increase, none of these factors are solely responsible for this disturbing trend. Rather than try to find the “silver bullet” that, if removed, would eliminate the problem, we hope this report will spark necessary conversation about how to address the reality at hand.

Moving the Needle on Poverty is designed to provide Colorado leaders with an up-to-date picture of the diverse strategies that states across the nation are pursuing to lift individuals, families, and communities out of poverty. As the report indicates, many states are choosing to set specific and measurable goals for poverty reduction, while others are convening working groups to further study the problem and potential solutions. While this report is not intended to espouse any particular course of action for Colorado, understanding the initiatives undertaken elsewhere can help us make decisions about what may – and may not – be appropriate for addressing our own unique challenges.

The report is based on informal research conducted by the Colorado Children’s Campaign in the summer of 2008 that began with scans of the public plans of governors, legislatures, state agencies, and national advocacy and philanthropic organizations. The Children’s Campaign sifted through executive orders, legislation, and the findings and recommendations of poverty-reduction commissions and task forces in 13 states. We also reviewed the latest U.S. Census Bureau data on poverty, and recent reports by the National Conference of State Legislatures, the National Governors Association, the U.S. Conference of Mayors, the Center for Law and Social Policy, and the Center for American Progress.

Section 1 of Moving the Needle on Poverty features thumbnail descriptions of the scope, structure, and progress of poverty-reduction initiatives underway in a steadily growing number of states.

Section 2 offers a brief review of several policy options – including establishing poverty-reduction goals and targets. While Colorado will find its own path to addressing this problem, these options may help us identify solutions that could be useful in our own efforts to address this increasingly urgent challenge more strategically and productively.

Among the key findings of our analysis:

1. As of mid-2008, nine states have established timelines and numerical goals for reducing poverty, and a mechanism for tracking and reporting progress from year to year. Of these states, five are focusing on child poverty, three on overall poverty, and one on extreme poverty.

Four states – Connecticut, Delaware, Louisiana, and Vermont – have committed to cutting child poverty by 50 percent within 10 years, and North Carolina’s goal is to increase the percentage of children living above the poverty line to 90 percent by 2020.

In Oregon, the goal is to reduce the overall poverty rate to 10 percent by 2010, and Minnesota has set its sights on “ending poverty in the state by 2020.” Maine is in the process of establishing measurable 5-, 10-, and 20-year poverty-reduction goals. In Illinois, a measure recently signed into law calls for cutting the percentage of Illinoisans living in extreme poverty (below 50 percent of the federal poverty line) in half by 2015.
In all but one of these nine states, the commitment to numerical goals and timelines is expressed in statute or in the form of benchmarks established by a legislatively created “progress board.” The sole exception is Delaware, where the child-poverty reduction target was set in a 2007 executive order issued by Governor Ruth Minner.

2. Eight states have established task forces, commissions or legislative caucuses to identify priorities, develop strategies and/or build consensus for reducing poverty.

An upcoming statewide summit in Michigan – focused on crafting a strategic poverty-reduction agenda – is the culmination of extensive outreach, information-gathering and partnership-building efforts by a 10-member commission appointed by Governor Jennifer Granholm in 2003. Two other governors, Ted Strickland of Ohio and Bill Richardson of New Mexico, recently created anti-poverty task forces, and gave them a deadline for preparing findings and recommendations.

In Rhode Island, the eight-member Legislative Commission on Family Income and Asset Building has spent two years laying the groundwork for a set of public-private investments focused on micro-enterprise development, financial literacy, career/technical education programs for high school students, and expanded training and learning opportunities for adult workers.

A bipartisan Task Force on Poverty appointed by Alabama House Speaker Seth Hammett recently put forward a set of legislative priorities for the 2009 session. At the top of the list: eliminating the state sales tax on food; adjusting the state income-tax threshold upward; and making strategic investments in public transportation, affordable housing, and preschool programs. The Task Force will also push for the establishment of a state Commission on the Reduction of Poverty.

Two years ago, Washington State Department of Community, Trade and Economic Development director Juli Wilkerson appointed a 17-member Poverty Advisory Commission to help identify top short- and long-term priorities for her department. The Commission’s May 2007 report was based in large part on information and ideas generated by community forums held in 14 locations across the state.

In Iowa and Colorado, bipartisan/bicameral legislative caucuses were created in 2007 to promote constructive discussion of poverty-related issues and policy options.

3. Expenditures in three key areas – work-based supports, childcare assistance, and safety-net programs – are highly correlated with the alleviation of hardship among children and families.

Colorado is one of eight states that lost considerable ground in terms of child poverty between 2000 and 2007. By contrast, many states managed to at least hold the line on this front, and some made notable progress. In Maryland, for instance, the number of children living below the federal poverty level decreased significantly (23 percent) in that seven-year period, as it did in Wyoming (20 percent) and in Massachusetts (7 percent). One thing that Maryland, Wyoming, and Massachusetts have in common is the priority given to encouraging and supporting low-wage employment.

This report concludes with a summary of actions to reduce poverty in England and Ireland, as well as a brief review of two recent reports that shed light on the specific strategies most likely to produce tangible, lasting benefits for disadvantaged children and families – including (1) establishing poverty-reduction goals and targets at the state and national levels, and (2) focusing on work-based supports, childcare assistance and safety-net programs. The reports are:


4. The experiences of states that have worked to address the issue of child poverty, along with the work of national experts, provide some policy guideposts that Colorado may consider to reverse its troubling trends in overall poverty and child poverty, in particular. These could include:

- Establishing numerical goals and timelines for reducing child poverty;
- Reinstituting the state’s Earned Income Tax Credit and raising the income-tax threshold at which low-income wage earners must pay state income taxes to the levels in place at the start of this decade;
- Providing greater support to low-income working families, especially access to affordable, high-quality childcare, healthcare, and education and job training;
- Eliminating barriers that prevent eligible individuals and families from accessing the services they need; and reforming the state’s revenue and expenditure limits so that state policymakers have the flexibility to respond to changing economic and societal conditions.

**II. State Poverty-Reduction Initiatives from Across the Country**

A steadily growing number of states have launched poverty-reduction initiatives – a half-dozen in 2008 alone.

The scope and structure of these initiatives vary widely, and they are underway in states whose poverty rates are among the highest in the nation (Alabama, Louisiana, and New Mexico), among the lowest (Connecticut, Minnesota, and Vermont) and, in several cases, close to the national average (Delaware, Illinois, and Oregon).

Typically, such efforts are aimed at decreasing overall poverty, although several states have focused more narrowly on cutting the child-poverty rate or reducing the number of people living in extreme poverty. One state, Minnesota, has committed itself to eliminating poverty altogether within the next 12 years.

Perhaps the most striking variation between different states is how the anti-poverty agendas have been crafted and are being advanced. Who took the lead and what did they do to get the ball rolling? Are there specific goals and targets? What is the mechanism for measuring the progress and impact of these efforts?

Following are brief profiles of:

I. Nine states that have established **timelines** and **numerical goals** for reducing poverty, and a mechanism for tracking and reporting progress from year to year – plus one state (California) where legislative attempts to do so were blocked by the Governor.

II. Eight other states that have established **task forces, commissions** or **caucuses** to identify priorities, develop strategies and/or build consensus for reducing poverty.

**I. States with Numerical Goals and Timelines**

**Connecticut**

In 2004, the Connecticut General Assembly set a target of reducing child poverty in the state by 50 percent within 10 years, and created a council consisting primarily of legislators and state agency commissioners to develop a comprehensive strategy for doing so.

While Connecticut has long had one of the lowest overall child-poverty rates in the country, the percentage of kids living in poverty in Hartford, New Haven, and several other cities is more than double the national average. One-third of the state’s Hispanic children and 25 percent of African-American children live in poverty, compared with just one in 20 white children.
The council met its 2005 deadline for submitting an initial report to the legislature, but concern over the sheer number of recommendations – 67 – forced the council back to the drawing board. At the same time, legislators decided to broaden the group’s mission and scope of work, and reconstituted it as the Connecticut Child Poverty and Prevention Council.

Over the past two years, with the assistance of a bipartisan panel of experts, the council has whittled down its recommendations to 13 specific priorities that “have sufficiently strong evidence to support their potential effectiveness in reducing child poverty.”

Among these priorities are establishing a refundable state earned income tax credit; advocating for year-round school programming for children in grades K-3 and full-day, full-year preschool programs; making childcare subsidies available to all low-income families, up to 200 percent of poverty; increasing the proportion of eligible children and families enrolled in programs financed, wholly or in part, by the federal government; and developing measures of poverty that better reflect current social and economic realities.

The council has also put forward a set of prevention-focused goals, priorities, and benchmarks; conducted an inventory of statewide programs that provide assistance to people in poverty or at risk of falling into poverty; and drawn attention to outstanding examples of innovation and interagency collaborations, such as the Connecticut Birth to Three System and the state’s Supportive Housing Initiative.

In its most recent progress report, the council listed a number of policy changes and investments over the past three years that “will result in significantly improved opportunities for Connecticut’s most disadvantaged children” – including more than $500 million in increased funding for healthcare, early childhood education and other programs in fiscal year 2008 alone.

“Expenditures in three key areas – work-based supports, childcare assistance and safety-net programs – are likely to be directly correlated with the alleviation of hardship among children and families,” the report said. But the success of Connecticut’s efforts to reduce child poverty hinges on its ability to steadily enlarge educational achievement and opportunity, and increase the number of children living in “low-conflict, married-couple families.”


Delaware

In August 2007, an executive order issued by Governor Ruth Minner established a 25-member Child Poverty Task Force charged with developing an overall plan and specific recommendations for reducing child poverty in the state by 50 percent within the next 10 years. The task force is also responsible for conducting a statewide inventory of public and private programs that currently serve Delaware children living in poverty, and assessing the programs’ relative strengths and shortcomings.

The task force is chaired by Terry Schooley, a state representative from Newark, who is also the director of Delaware KIDS COUNT. Among its members are legislators, state agency officials, the Governor’s policy advisors for health and education, civic and business leaders, representatives of nonprofit organizations serving children and families, and the Chief Judge of the Delaware Family Court.

The task force’s activities over the past year – which focused on gathering, analyzing and sharing information – will culminate in the submission of a formal report to the Governor and legislative leaders in early fall 2008.

To see Governor Minner’s executive order, go to: http://governor.delaware.gov/orders/executiveorderno101shtml#TopOfPage
Illinois

In Illinois, legislation was enacted in 2008 establishing a 26-member commission to develop a strategic plan for cutting extreme poverty – defined as living below 50 percent of the poverty line – in half by 2015.

The legislation was a key goal of the “From Poverty to Opportunity Campaign,” a project of the Chicago-based Heartland Alliance for Human Needs & Human Rights. The organization sponsored 20 community forums across the state in 2007, and released a report summarizing conversations with more than 700 people.

“People from every legislative district across the state have come together with a renewed passion to tackle poverty in Illinois,” said State Senator Michael Frerichs, one of the bill’s sponsors. “This is not a partisan issue, and it’s not solely an urban, rural or suburban issue. It’s a people issue. We must remove the roadblocks to opportunity so more Illinoisans can achieve economic stability.”

The Commission on the Elimination of Poverty will consist of 20 individuals appointed by House and Senate leaders, four appointed by the Governor, and one appointed by the Lieutenant Governor. The commission has until January 1, 2010, to develop a strategic plan that includes “specific policy and fiscal recommendations, and a timeline for implementation of each recommendation,” focused on expanding access to:

• Safe, decent, and affordable housing;
• Adequate food and nutrition;
• Affordable and quality healthcare, childcare, and education/job training;
• Dependable and affordable transportation; and
• Opportunities to engage in meaningful, sustainable work that pays a living wage.

The legislature did not appropriate funds to staff and support the work of the commission.

To see the legislation, go to: http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=095-0833

Louisiana

In July 2008, Governor Bobby Jindal signed a bill establishing a new state agency that will lead efforts to reduce the proportion of Louisiana children living in poverty from 28 percent to 14 percent over the next 10 years.

The 19-member Child Poverty Prevention Council, housed within the Louisiana Department of Social Services, is responsible for developing, coordinating, and augmenting public/private-sector support for initiatives “with the greatest potential for reducing child poverty.”

The legislation creates a new trust fund within the state treasury that the council is empowered to manage and expected to “grow” by seeking federal grants, support from foundations and corporations, and individual gifts and donations.

Among the members of the council are the top officials of six state departments, the chairmen of the House and Senate Health and Welfare committees and the executive directors of the state’s Workforce Commission and the Governor’s Children’s Cabinet. It also includes individuals representing, and appointed by, the state office of the Children’s Defense Fund, the Louisiana Association of Business and Industry, Agenda for Children, and several other organizations; and two academic experts on child poverty selected by the chancellor of Louisiana State University and the president of the Southern University System.

The measure creating the new council and trust fund was sponsored by Ben Nevers, a small-business owner and veteran legislator who chairs the Senate Labor and Industrial Relations Committee.
“I don’t know of any issue that’s more dire than the poverty of our children in this state,” Nevers said at a hearing on the bill last spring. “It’s just something we cannot allow to continue.”

Louisiana has the second-highest child-poverty rate in the nation (27 percent), and the percentage of children who live in households earning less than $17,600 a year is more than double the national average.

To see Act 559, go to: www.legis.state.la.us/billdata/streamdocument.asp?did=503727

**Maine**

In April 2008, Maine Governor John Baldacci signed legislation establishing a Council on Poverty and Economic Security, whose duties include establishing measurable 5-, 10- and 20-year goals and benchmarks for reducing poverty in the state.

The council includes six legislators appointed by House and Senate leaders; the heads of five state agencies; and 15 individuals appointed by the governor representing service providers, nonprofit, faith-based and advocacy organizations, the business community, and the general public.

The impetus for the legislation was a fall 2007 statewide symposium focused on the findings of a comprehensive, county-by-county analysis of poverty in Maine by the Margaret Chase Smith Policy Center.

The council is charged with (a) establishing measurable 5-, 10- and 20-year goals for reducing poverty in the state, and (b) beginning on February 15, 2009, reporting to the Governor and the legislature each year on the state’s progress toward those goals.

To see the legislation, go to: www.mainelegislature.org/legis/bills/billtexts/LD111002.asp

**Minnesota**

In spring 2006, the Minnesota Legislature created an 18-member panel charged with:

- Identifying public policy strategies to “eliminate poverty in the state by 2020”;
- Recommending short-term policy changes to end childhood poverty and eliminate the racial disparities of poverty;
- Encouraging state and local government agencies, schools, nonprofit and faith-based organizations, employers and philanthropic institutions to address the problem of poverty in partnership; and
- Building understanding and consensus around the following questions: Who is poor? Why are they poor? What are the societal costs of poverty? Are current measures of poverty useful?

The last time Minnesota made a comprehensive attempt to tackle poverty was in the mid-1980s when then-Governor Rudy Perpich established a commission to develop short-term recommendations and long-term strategies to eliminate poverty in Minnesota by the year 2000. The commission’s work and final report, published in April 1987, gave momentum to several policy initiatives, including wage subsidies, an increased minimum wage, sliding fee health insurance and childcare assistance, refundable tax credits for earned income, and state supplemental funding for Head Start and the Women, Infants and Children program.
The bill creating the three-year Legislative Commission to End Poverty in Minnesota was sponsored by former State Senator John C. Hottinger, who was moved to act following two statewide summits on poverty organized by religious leaders.

The commission consists of 18 legislators and two nonvoting members appointed by the Governor. It was given an ample budget – more than $750,000 over three years – which has allowed it to hire a full-time director and other staff; build and maintain a Web site; develop materials for outreach, communication and partnership building; and travel around the state to visit workforce centers, schools, homeless shelters, and soup kitchens; and hold small-group conversations with young people, working-age adults, and seniors.

The commission’s activities and deliberations will culminate in a final report, in December 2008, that will include not just recommended legislation, but also proposals aimed at other sectors and stakeholders, said commission director Gregory Gray.

Gray sees the commission as a potent force for change and improvement. “What has been striking is that it has clearly opened up the minds of many legislators – not just those on the commission,” he said. “There is now a sense that we can make a difference if we want to. And legislators now realize that there is a groundswell of constituent support for action in districts both poor and wealthy.”

To see the commission’s June 2008 interim report, go to: www.commissions.leg.state.mn.us/lcep/materials/InterimReport.pdf

Oregon

In 1989, the Oregon Legislature created a unique mechanism for tracking and reporting progress toward the state’s strategic goals in seven areas: education, economy, environment, public safety, social support, community development, and civic engagement.

Every two years, the Oregon Progress Board, an independent, 12-member panel chaired by the Governor, issues a report that provides a useful picture of where the state is holding its own, gaining ground or falling behind – as measured by 91 performance indicators.

The Oregon Benchmarks, as they’re called, cover everything from net job growth to air and water quality to the condition of state roads and bridges, from infant health to adult literacy to the percentage of eligible voters who turn out for presidential elections. Most, but not all, of the Oregon Benchmarks include a target, such as the following for the six poverty-related benchmarks:

- The percent of Oregonians with incomes below 100 percent of the federal poverty level – 10 percent by 2010;
- The percent of Oregonians without health insurance – eight percent by 2010;
- The number of Oregonians who are homeless on any given night (per 10,000) – 13 by 2010;
- The percent of current child support paid within the month that it is due – 70 percent by 2010;
- Oregon’s national rank for percent of households with limited or uncertain access to food – 10th by 2010; and
- The percent of Oregonians with lasting, significant disabilities living in households with incomes below the federal poverty level – 19 percent by 2010.
Over the past 10-12 years, Oregon has made progress, or at least held its own, on several fronts. The biggest improvement is its national rank for hunger, which went from dead-last in 1997 to 36th in 2005. The percent of child support paid on time has risen from 50 percent in the mid-1990s to just over 61 percent today. The percent of elderly Oregonians living in poverty has declined significantly, from eight percent to six percent (fourth-lowest among the states).

But for another age group – those under the age of 17 – the poverty rate increased from 14 percent to 16.3 percent between 1999 and 2006. And, Oregon has lost ground in the area of homelessness, with the number of people (per 10,000) who are homeless on any given night having risen from 17 in the mid-1990s to nearly 25 today.

The Oregon Progress Board views itself as a catalyst for change and improvement. It provides encouragement and support for state and local government agencies, businesses, nonprofit organizations, and citizen groups to use the benchmarks in planning, program design and development, evaluation, and reporting.

To see the board’s most recent benchmark report, go to: www.oregon.gov/DAS/OPB/docs/2007Report/2007_Benchmark_Highlights.pdf

North Carolina

In 1995, the North Carolina Legislature and then-Governor James B. Hunt Jr. worked together to create a mechanism, similar to Oregon’s, for tracking and reporting on the state’s progress toward its goals in critical areas. The North Carolina Progress Board issues periodic scorecards organized around eight “imperatives,” 27 long-term goals and 84 strategic targets – one of which is to increase the percent of children living above the poverty line to 90 percent by 2020.

Over the past decade, the percentage of North Carolina children meeting this criterion has fluctuated – dipping to 78 percent in 1998, rising to 85 percent in 2001 and falling back to 82 percent in 2006. Still, North Carolina’s child-poverty rate has improved since 2000, from third-highest to second-lowest in the 10-state Southeast region. To see the North Carolina Progress Board’s latest report and scorecard, go to: www.ncprogress.org/PDF/2020Report_2005.pdf and http://www.ncprogress.org/scorecard_imp1_hcf.htm

Vermont

In June 2007, the Vermont Legislature passed legislation establishing a 14-member council to lead efforts to reduce child poverty in the state by 50 percent within 10 years.

To lay the groundwork for the initiative, the Child Poverty Council hosted public hearings in each of Vermont’s 14 counties.

“One of the important results of going around the state is that local media covered the hearings,” said State Representative Ann Pugh, who co-chairs the council. “Since part of our mission is to make sure all Vermonters understand what it means to be poor and near-poor in our state today, getting the newspapers and other media to cover the stories of working families wrestling with the realities of getting by helps a lot.”

Pugh shares the chairmanship with State Senator Doug Racine, a former lieutenant governor, who sponsored the child poverty-reduction bill. Also serving on the council are four other legislators, four state agency commissioners and four individuals representing various constituencies.

The council is now working on the second draft of a report that will include specific recommendations to the legislature. With one deadline for the report already passed, Pugh said she is not setting any deadlines to finish this one. “The first draft was a bit too academic, so we’re redoing it,” she said.
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Children Living in Poverty: 2007

Current Policy Initiatives

States that have established poverty-reduction goals and targets, and an entity for tracking and reporting progress.

States that have established a task force, commission or caucus to develop priorities, strategies and/or collective commitment to reducing poverty.

Data Source: U.S. Census Bureau American Community Survey 2007; Center on Law and Social Policy's 2007 report “Seizing the Moment: State Governments and the New Commitment to Reduce Poverty in America.”
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The percent of children in poverty is relatively stable since 2000

The percent of children in poverty has gone down since 2000

The percent of children in poverty has gone up since 2000
The council has also sought the advice of various experts, including the Connecticut Office of Policy Management’s Anne Foley, who shared a key lesson learned by her state’s child-poverty council. “Avoid making too many recommendations,” Foley said, noting the difficulties caused by the Connecticut council’s putting forth nearly 70 separate recommendations in its initial report.

Co-chair Racine said that one issue the Vermont council has focused on is the so-called “benefits cliff” – when a low-income worker suddenly loses much-needed benefits as the result of getting a salary increase or a better job.

“We’re looking at step-downs instead of a cliff,” Racine said. But that will require some changes to state law and a waiver from the federal government, he noted.

To see the legislation, go to:
www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2008/bills/passed/S-177.HTM

In addition, in California, attempts to create specific poverty-reduction goals were blocked by the Governor. In fall 2006, California Governor Arnold Schwarzenegger vetoed a measure that would have set a goal for the state to cut child poverty in half within a decade and eliminate it entirely by 2026.

The Governor’s veto message said the bill “does not provide solutions to end child poverty, but rather is a policy statement more appropriately made in a resolution and considered through annual budget hearings.” Schwarzenegger noted his administration’s initiatives to expand health coverage for children through Medi-Cal and the Healthy Families program, increase the minimum wage, and provide greater support for foster children and for families transitioning from welfare to work.

A revised version of the bill – including a provision calling for the creation of a state-level child-poverty council – was introduced in the 2007 session, but failed to win passage. For three consecutive years, legislators have also rejected a proposal to establish a new cabinet-level position, Secretary to End Poverty in California, responsible for:

• Conducting a thorough review of the efficiency and effectiveness of all state agencies, departments and offices that administer anti-poverty programs, and submitting findings to the Governor and legislative leaders by January 31, 2010; and

• Reporting to the legislature on a regular basis, “regarding any pending bills that may have an impact on programs for the working poor in the state.”

The proposal, sponsored by Assemblywoman Fiona Ma of San Francisco, has drawn active opposition from the California Department of Social Services and the Howard Jarvis Taxpayers Association, best known for its successful efforts in the late 1970s to cap property-tax rates in the state (Proposition 13).

II. States with Poverty Working Groups

Alabama

In February 2008, a task force appointed by Alabama House Speaker Seth Hammett issued a report that calls for establishing a state Commission on the Reduction of Poverty and giving priority over the next several years to:

• Eliminating the state sales tax on food, which only one other state (Mississippi) has not done; adjusting the state income-tax threshold upward; and encouraging more low-wage workers to take advantage of the federal Earned Income Tax Credit (EITC);

• Providing enough money for Head Start and other preschool programs to eliminate waiting lists;

• Developing a dedicated funding stream for public transportation and creating an affordable-housing trust fund; and

• Funding “individual development accounts” to match savings for poor families that would help them buy homes, pay for college or start businesses.
Advancing the agenda outlined by the House Task Force on Poverty will require sustained effort and commitment on the part of state leaders according to Representative Patricia Todd, who chaired the task force. “Many of the things we strive for will cost money, so we’re going to have to get creative – and we will,” she said. By far the biggest challenge will be figuring out how to replace the $500 million a year in revenue generated by the state sales tax on food.

A critical first step, she and Speaker Hammett said, will be establishing the Alabama Commission on the Reduction of Poverty, which they and other members of the Task Force will push for in the 2009 legislative session.

To see the legislation creating the Poverty Task Force, go to:  
http://www.legislature.state.al.us/SearchableInstruments/2007rs/Resolutions/HJR320.htm

To see the February 2008 report issued by the Poverty Task Force, go to:  
http://www.patriciatodd.net/sitebuildercontent/sitebuilderfiles/ptffinalreport.pdf

Colorado

Under the leadership of Colorado State Representative John Kefalas, the Common Good Caucus was created in spring 2007 as a bipartisan/bicameral forum “for legislators interested in addressing poverty through public policy and private-sector solutions that promote self-sufficiency, family well-being, and community development.”

In fall 2007, the caucus helped a coalition of advocacy groups organize the second in a series of statewide “listening tours” aimed at gaining a better understanding of the challenges that low-income families face, especially those on the edge of crisis who are living paycheck to paycheck. Fact sheets, a short video and other material generated by the 2006 and 2007 listening tours are available at www.paycheckawayproject.org.

Among the poverty-related measures approved in the 2008 legislative session were SB 177, which included a 20 percent increase in the monthly TANF cash grant, effective January 2009, with the authority to go higher delegated to the State Board of Human Services; and HB 1265, which allows counties to subsidize childcare for families up to 85 percent of state median income.

Also, though it narrowly failed in the House Finance Committee, a bill to restore the state’s refundable earned income tax credit did make some progress. In committee and more broadly, there was strong support for restoring the tax credit, which has been on hold since 2004. The sticking point and fierce opposition came with the funding mechanism, which was a proposal to use unspent federal assistance funds from Colorado counties – now totaling $136 million.

Iowa

Over the past 18 months, more than 30 Iowa legislators have joined the bipartisan, bicameral Successful Families Caucus, whose goals are to:

• Provide a forum for constructive discussion of poverty-related policy issues and options;
• Explore innovative, best practice-based approaches to reducing poverty that could serve as models for communities throughout Iowa; and
• Create a state policy environment that promotes the active engagement of families, communities, and institutions in addressing the issue of poverty purposefully, productively, and over time.

The Successful Families Caucus is the outgrowth of a series of discussions among several House and Senate leaders who saw the need for “changing the way Iowa legislators think about success and asset development, and moving the discussion beyond just the traditional human-services committee work.’

Since its creation in February 2007, the caucus has received support from the Northwest Area Foundation and staffing assistance from the State Public Policy Group, a Des Moines consulting firm.
Among the near-term priorities that the caucus has identified are: covering all children in the state through Medicaid, SCHIP or private insurance; increasing the state Earned Income Tax Credit from seven percent to 10 percent of the federal level; requiring schools to provide financial literacy programs from the early grades on; and encouraging information sharing and partnership building among public and private service providers at the state, county, and community levels.

For a one-page fact sheet on the caucus, go to: www.sppg.com/uploads/doc/sfc_one_pager_2007_09_26_alc.doc

**Michigan**

An upcoming statewide summit will bring together citizens, employers, service providers, philanthropic and advocacy organizations, policy experts, and state and local government agencies to forge a comprehensive approach to reducing poverty in Michigan.

The summit, to be held November 13, 2008, in Detroit, is the culmination of sustained efforts on the part of Governor Jennifer Granholm and other state leaders over the past several years to:

- Enlarge awareness and understanding of the causes, conditions, and impact of poverty; and

To lay the groundwork for the summit, the Michigan Commission on Community Action and Economic Opportunity held a series of public forums across the state between December 2007 and February 2008.

“We thought it was vitally important to give people living in poverty a chance to share their stories and experiences, and talk about the challenges they face when accessing public and private support systems,” said Sonia Harb, who chairs the commission. “We also wanted to hear from local service providers, and learn more about innovative programs that have been effective in moving people out of poverty.”

The 10-member commission, which Governor Granholm appointed in 2003, has developed a strong working relationship with two key partners: the Michigan League for Human Services, a nonprofit organization dedicated to education, research, and advocacy for the benefit of low-income and other vulnerable citizens; and the Michigan Community Action Agency Association, whose member organizations provide services in all of the state’s 83 counties.

The upcoming summit will provide an opportunity to share information, ideas and lessons learned, and build collective commitment to advancing Michigan’s efforts to reduce poverty, according to Ismael Ahmed, director of the state’s Department of Human Services. Both Ahmed and Harb serve on the 55-member advisory group that was created several months ago to craft the summit agenda and coordinate fundraising, outreach/communication, and other activities.

To learn more about the upcoming summit, go to www.michigan.gov/poverty

**New Mexico**

In May 2008, New Mexico Governor Bill Richardson appointed a task force to develop specific recommendations for legislative, regulatory and infrastructure initiatives aimed at reducing poverty in the state.

The 20-member task force, which submits its recommendations to the governor in September 2008, is co-chaired by Rick Homans, Secretary of the state Taxation and Revenue Department, and University of New Mexico sociology professor Susan Tiano. Task force members include religious, philanthropic, education, labor and tribal leaders, and representatives of service providers ranging from the Santa Fe Community Housing Trust to the New Mexico Children, Youth and Families Department.
Governor Richardson suggested a range of issues to be researched and considered by the task force, including: hunger, housing and childcare needs; adequate compensation and a fair minimum wage; working-family and childcare tax credits; greater equity in the unemployment compensation system; and expanded access to postsecondary education and training.

To learn more about the task force, go to:
www.governor.state.nm.us/press/2008/may/052408_01.pdf

Ohio

In May 2008, Governor Ted Strickland issued an executive order establishing the Ohio Anti-Poverty Task Force, which is charged with developing strategies for reducing the percentage of Ohioans living at or below 200 percent of the federal poverty level.

The 30-member task force, chaired by Greg Landsman, director of the Governor’s Office of Faith-Based and Community Initiatives, includes the top officials of 12 state agencies, business and labor leaders, and representatives of organizations ranging from United Way to the statewide Coalition on Housing and Homelessness to Ohio Families and Children First.

An additional 250 individuals from 40 towns and cities across the state will participate in five work groups – interagency coordination, benchmarks and measures, self-sufficiency pathways, public-private collaboration, and community engagement – that will be coordinated by and report to the task force.

Governor Strickland gave the task force a mid-September 2008 deadline for delivering its short-term recommendations, including a list of immediate policy changes or strategic adjustments in spending for the administration to consider. The task force will have until April 30, 2009, to develop a set of suggested long-range strategies for reducing poverty.

To see the governor’s executive order, go to:
http://governor.ohio.gov/Portals/0/Executive%20Orders/Executive%20Order%202008-11S.pdf

Rhode Island

In 2007, the Rhode Island General Assembly established an eight-member legislative commission to develop strategies for “promoting financial security and success for all families.”

Over the past year, the Commission on Family Income and Asset Building, which consists of four members of the House and four members of the Senate, has focused on establishing a working relationship with a variety of partners – from United Way, Rhode Island KIDS COUNT and charitable foundations, to banks and credit unions; from the University of Rhode Island’s Poverty Institute to Providence Mayor David Cicilline’s Poverty, Work and Opportunity Task Force.

Among various issues the commission has studied, the following have been identified as key priorities:

- Micro-enterprise development -- helping individuals start small businesses by expanding access to legal, marketing, advertising, and banking resources;
- Financial literacy -- educating students and adults about the importance of saving money and avoiding credit-card debt;
- Technical education -- promoting the expansion of high-quality technical education so high school students graduate with valuable job skills and immediate employment opportunities; and
- Certification and postsecondary education for working adults – providing support for those seeking to return to school with the goal of higher wages.

To see the legislation creating the commission, go to:
www.rilin.state.ri.us/PublicLaws/low07/res07/res07404.htm
In 2006, the Washington Department of Community, Trade and Economic Development (CTED) conducted community forums in 14 locations around the state, from Colville to Seattle. The nearly 500 participants were asked to focus on issues affecting low-income people in their communities and suggest specific strategies to address them.

At the same time, CTED director Juli Wilkerson created a 17-member Poverty Advisory Commission to review the information, ideas, and insights generated by the forums; and identify a set of priorities for her department over the next several years.

Among the recommendations in the advisory commission’s May 2007 report:

- Establish a coordinating group of all state programs providing food to low-income households;
- Support statewide implementation of the 211 social-services telephone referral system;
- Work with providers and county and state professional organizations to expand dental care for low-income adults and children;
- Lead an effort to seek ways to combine and consolidate reporting, monitoring, and auditing between government agencies and agency departments;
- Support current legislative and governor-led efforts to expand access to health and mental health care;
- Assist state, public, and private programs that encourage financial literacy education and asset-building programs for low-income residents; and
- Support greater funding for local efforts to augment the supply of affordable housing, and promote public-private initiatives to assist the homeless and people seeking transitional housing.

To see the advisory commission’s full report, go to: www.cted.wa.gov/DesktopModules/CTEDPublications/CTEDPublicationsView.aspx?tabID=0&ItemID=5067&MId=953&wversion=Staging

III. Gaining Ground: Potential Policy Options to Address Child Poverty in Colorado

While Colorado has steadily lost ground in its struggle against poverty since the beginning of the decade, many states have moved in the opposite direction. In Maryland, for instance, the number of children living below the federal poverty level decreased significantly (23 percent) between 2000 and 2006, as it did in Wyoming (20 percent) and in Massachusetts (seven percent).10

A common policy thread across these three states is the priority given to encouraging and supporting low-wage employment.

- **Maryland**, too, shields low-wage workers from state income taxes, and its refund on earnings for a family of four at the poverty level is fifth-largest in the nation -- $447. Massachusetts’ $8-an-hour minimum wage is one of the highest in the country. The state is also notable for its sustained efforts to boost the participation rate of eligible families in public-assistance programs, including food stamps, health insurance coverage, and housing and childcare subsidies.
**Wyoming** is one of a handful of states with no income tax, and its minimum wage is one of the lowest in the nation -- $5.15 an hour. But Wyoming has invested significant effort and resources in building a continuum of incentives and support for individuals transitioning from welfare to work. Current initiatives focus on ensuring that all low-income families in Wyoming (1) have access to quality, affordable childcare, job-training programs and other forms of support, and (2) are on a path to self-sufficiency and economic advancement.

Between 1998 and 2001, **Colorado's** refundable EITC shielded the poor and near-poor from the state income tax and provided a wage supplement for working families. The suspension of the EITC reduced the income-tax threshold and eliminated the tax refunds. In 2001, a family of four in Colorado paid no tax until its income climbed to 159 percent of the poverty threshold. By 2006, the income-tax threshold had fallen to just 114 percent of the poverty threshold.

Also, over the past several years, Colorado has (a) increased co-payments for childcare for families with earnings equal to 100 percent of the federal poverty level and (b) allowed reimbursement rates for childcare to fall well below federal guidelines. Colorado also has among the toughest documentation rules for citizenship (and thus eligibility for many services) in the country, thus delaying or denying services to individuals who would otherwise be eligible. Many other states use a centralized database to verify citizenship while Colorado requires a notarized birth certificate.

National economic trends leading to increased income inequality in Colorado have also likely contributed to higher rates of poverty. Since the late 1980s the average income of the richest 20 percent of Colorado families increased nearly 10 times more than that of the poorest 20 percent. Over the last two decades, the income gap between the richest and the poorest 20 percent of families in the state increased from a ratio of 5.9 times higher to seven times higher. Overall, Colorado ranks 24th in the nation in the income gap between its poorest and richest families.

Perhaps the greatest barrier to the state making progress on child poverty is its state fiscal system, in which multiple constitutional and statutory provisions, such as the Taxpayers’ Bill of Rights (TABOR), in place since 1992, severely limit the state's authority to raise and spend revenue for programs to help ameliorate poverty.

The extent to which these and other policy decisions have contributed to Colorado's steadily escalating child-poverty rate is an issue that clearly merits closer attention and wider discussion. At the same time, Colorado's leaders ought to take full advantage of the growing knowledge base on reducing and preventing child poverty.

Following are highlights of two recent reports and summaries of initiatives in England and Ireland that should prove particularly useful to legislators and other decision makers in addressing the challenges and opportunities at hand.

The highlights provide a brief review of several policy options – including establishing poverty-reduction goals and targets -- that have the potential to help Colorado address the increasingly urgent issue of child poverty more strategically and productively.

**From Poverty to Prosperity: A National Strategy to Cut Poverty in Half**

*Center for American Progress, Washington, DC, April 2007*

This report by the Center for American Progress’ Task Force on Poverty lays out a 12-point agenda for reducing the ranks of the nation’s poor and near-poor by 50 percent over the next decade.

At the top of the list are several steps that the task force -- in partnership with a research team from the Urban Institute -- concluded would lift more than two million Americans out of extreme poverty, cut child poverty by 41 percent, and promote economic security, opportunity, and upward mobility for low- and moderate-income families alike. They are:

- Raising and indexing the federal **minimum wage** to half the average hourly wage;
- Increasing the federal **Earned Income Tax Credit (EITC)** for childless workers, and making the EITC available to younger childless workers; increasing the EITC for larger working families; and addressing the "marriage penalty" in the EITC;
- Making the federal **Child Tax Credit** fully refundable; and
The report noted that between 1959 and 1973, the nation’s overall poverty rate fell from 22.4 percent to 11 percent, and in the 1990s, the number of American children living in poverty decreased by more than 30 percent. The significant progress made during those two periods, the report said, was attributable to a strong economy in combination with “sound federal and state policies that focused on rewarding work, supportive civic institutions and communities, individual initiative, and a sustained national commitment to reducing poverty.”

The report recommended a number of other key steps in the following areas:

- **Benefits programs.** Governments at all levels should simplify and improve access to food stamps and other benefits for working families. The focus of the Temporary Assistance to Needy Families (TANF) program should be shifted from cutting caseloads to helping needy families find sustainable employment.

- **Education and training.** The Pell Grant application process should be simplified, and gradually raise grants to reach 70 percent of the average costs of attending a four-year public institution. Restore federal funding for the Youth Opportunity Grants program, and create a new Upward Pathway program that offers a range of service-learning and training opportunities for low-income youth.

- **Unemployment insurance.** With the assistance of the federal government, states should reform “monetary eligibility” rules that screen out low-wage workers, broaden eligibility for part-time workers, and allow out-of-work individuals to use periods of unemployment as a time to upgrade their skills and qualifications.

- **Financial services.** The federal government should establish a $50 million Financial Fairness Innovation Fund to support states’ efforts to broaden access to financial services in low-income communities.

To read the Center for American Progress report, go to:

Seizing the Moment: State Governments and the New Commitment to Reduce Poverty in America
*Center for Law and Social Policy/Spotlight on Poverty and Opportunity, Washington, DC, April 2008*

This report begins with an overview of why setting timelines and numerical goals for reducing poverty have emerged as a central strategy for accelerating change and improvement.

Among the major advantages of such targets, according to the report, are that they:

- Establish a shared acknowledgement that current poverty rates are unacceptable, and a shared vision around the need for solutions. Targets create both an explicit goal and a timeline to give this vision shared urgency and priority.

- Are simple, so that the vision is readily grasped by the agency officials who implement it, the media that cover it and the general public. A target’s simplicity ensures that everyone can appreciate periodic reports on the extent to which progress is being made.

- Foster interagency cooperation and break down program “silos.” Targets send a clear message that the responsibility for reducing poverty is to be shared across systems and sectors, rather than borne solely by a specific agency or department.

- Promote strategic thinking, planning, and investment. Targets serve to inform and focus decision making, and let leaders and the public know whether particular policy approaches, new or old, are effective.
The report notes that a growing number of political, philanthropic, religious and civil-rights leaders have voiced support for establishing national poverty-reduction goals and targets.

On January 22, 2008, the U.S. House of Representatives approved a “sense of the Congress” resolution calling for a national goal of reducing poverty by 50 percent within 10 years.

Among the national organizations that have come out in favor of poverty-reduction targets are Catholic Charities USA, the Center for American Progress, Christian Churches Together, the Leadership Conference on Civil Rights, the Congressional Black Caucus Foundation, Bread for the World, the Coalition on Human Needs, and the Association of Community Organizations for Reform Now.

To see the full report, go to: www.clasp.org/publications/clasp_report_0414.pdf

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National Poverty Reduction Initiatives: England and Ireland

In 1999, under the leadership of then-Prime Minister Tony Blair, England made a commitment to ending child poverty by 2020, with an initial goal of reducing the number of children living in poverty by 25 percent within five years. Members of Parliament and the Blair government worked together to craft a strategic agenda that included:

- Raising the minimum wage and boosting subsidies for low-income working parents;
- Expanding parents’ access to affordable, high-quality childcare and instituting programs focused on the healthy development of children and youth; and
- Creating a cabinet-level government agency, the Social Exclusion Unit, to deal with the combination of problems – a lack of marketable skills, chronic unemployment, and inadequate housing – that interact to keep families poor.

“The numerical targets have been critical in ensuring that the pledge to ‘eradicate child poverty in a generation’ is more than an aspiration,” said Lisa Harker, who was appointed in 2006 to lead the national initiative. “They have been crucial benchmarks to inform deliberations in the key government departments.”

Between 1999 and 2005, the number of English children living in poverty decreased significantly – by 17 percent, or about 700,000 kids in all. The fact that this reduction fell short of the 25 percent target, Harker said, has not diminished political resolve, but rather strengthened it.

“The government has acknowledged that it failed to reduce child poverty by a quarter, and on current trends it will fail its next target,” she said. “There is no doubt that it needs to move up a gear, but it is not going to renege on its commitment.”

In Ireland, the national goal is to reduce the percentage of the population identified as consistently poor to between two percent and four percent by 2012, and to eliminate consistent poverty by 2016.

Understanding that Colorado has a growing poverty problem was an important first step toward addressing the issue. Deciding this is a trend that we cannot afford and looking for solutions is even more critical to turning the tide.

While Colorado has attributes and challenges that will impact its ability to alleviate the state’s poverty problem, there are lessons to be learned from states that are implementing a wide range of strategies to address poverty problems of their own. Whether by learning from strategies that have been most successful or avoiding pitfalls that have prevented states from achieving their goals, Colorado can benefit by taking a closer look at these efforts in the pursuit of our state’s own unique solutions.

**Table 1. States that have established poverty-reduction goals and targets, and an entity for tracking and reporting progress**

<table>
<thead>
<tr>
<th>State</th>
<th>Goals</th>
<th>Entity</th>
<th>When/How Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>Cut child poverty in half by 2017</td>
<td>Child Poverty Task Force</td>
<td>2007 executive order by Governor Ruth Minner</td>
</tr>
<tr>
<td>Illinois</td>
<td>Cut extreme poverty in half by 2015</td>
<td>Commission on the Elimination of Poverty</td>
<td>2008 by Illinois General Assembly</td>
</tr>
<tr>
<td>Louisiana</td>
<td>Cut child poverty in half by 2018</td>
<td>Child Poverty Prevention Council</td>
<td>2008 by Louisiana Legislature</td>
</tr>
<tr>
<td>Maine</td>
<td>In the process of setting measurable 5-, 10- and 20-year goals for reducing overall poverty</td>
<td>Council on Poverty and Economic Security</td>
<td>2008 by Maine Legislature</td>
</tr>
<tr>
<td>Minnesota</td>
<td>Eliminate poverty by 2020</td>
<td>Legislative Commission to End Poverty in Minnesota</td>
<td>2006 by Minnesota Legislature</td>
</tr>
<tr>
<td>North Carolina</td>
<td>Increase the percent of children living above the poverty line to 90 percent by 2020</td>
<td>North Carolina Progress Board</td>
<td>1995 by North Carolina Legislature</td>
</tr>
<tr>
<td>Oregon</td>
<td>Reduce the overall poverty rate to 10 percent by 2010</td>
<td>Oregon Progress Board</td>
<td>1989 by Oregon Legislature</td>
</tr>
</tbody>
</table>
Table 2. States that have established a task force, commission or caucus to develop priorities, strategies and/or collective commitment to reducing poverty

<table>
<thead>
<tr>
<th>State</th>
<th>Entity</th>
<th>When/How Created</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>House Task Force on Poverty</td>
<td>Appointed in 2007 by House Speaker Seth Hammet</td>
<td>Recently issued a set of recommended legislative priorities for the 2009 session, including creating a state Commission on the Reduction of Poverty and eliminating the states sales tax on food</td>
</tr>
<tr>
<td>Colorado</td>
<td>Common Good Caucus</td>
<td>Bipartisan/bicameral caucus created in 2007 by legislative leaders</td>
<td>Serves as a forum for constructive discussion of poverty-related issues and policy options</td>
</tr>
<tr>
<td>Iowa</td>
<td>Successful Families Caucus</td>
<td>Bipartisan/bicameral caucus created in 2007 by legislative leaders</td>
<td>Thirty-member caucus sees itself as a catalyst for innovation and improvement; has identified a set of near-term priorities for reducing poverty</td>
</tr>
<tr>
<td>Michigan</td>
<td>Commission on Community Action and Economic Opportunity</td>
<td>Appointed in 2003 by Governor Jennifer Granholm</td>
<td>An upcoming statewide summit, focused on crafting a strategic poverty-reduction agenda, is the culmination of extensive outreach, information-gathering and partnership-building efforts by the commission</td>
</tr>
<tr>
<td>New Mexico</td>
<td>Poverty Reduction Task Force</td>
<td>Appointed in 2008 by Governor Bill Richardson</td>
<td>Has a fall 2008 deadline for putting forward a set of recommended legislative and regulatory initiatives aimed at reducing poverty and income inequality</td>
</tr>
<tr>
<td>Ohio</td>
<td>Anti-Poverty Task Force</td>
<td>Appointed in 2008 by Governor Ted Strickland</td>
<td>Has an April 2009 deadline for drafting a strategic plan to reduce the number of Ohioans living at or below 200 percent of the federal poverty level</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>Legislative Commission on Family Income and Asset Building</td>
<td>Created in 2007 by the Rhode Island General Assembly</td>
<td>Has laid the groundwork for a set of public/private investments focused on microenterprise development, financial literacy, high school Tech Prep programs and expanded training and learning opportunities for adult workers</td>
</tr>
<tr>
<td>Washington</td>
<td>Poverty Advisory Commission</td>
<td>Created in 2006 by the director of the Washington State Department of Community, Trade and Economic Development (CTED)</td>
<td>After hosting 14 community forums across the state, issued a May 2007 report identifying key short- and long-term priorities for CTED</td>
</tr>
</tbody>
</table>
V. Endnotes

The material in this section is drawn largely from the Center on Law and Social Policy’s 2007 report Seizing the Moment: State Governments and the New Commitment to Reduce Poverty in America, and is supplemented with research conducted by the Colorado Children’s Campaign in summer 2008.

ii http://www.kidscount.org/datacenter/


v http://dfsweb.state.wy.us/P&P/power.html


vii http://www.cssp.org/policymatters/fullreport.html

viii http://www.cbpp.org/states/4-9-08sfp-fact-co.pdf