

Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED

Date: March 2, 2010

To: Council Member Lisa Goodman, Community Development Cmte

Subject: Support to the "It's All About the Kids" program for 2010

Recommendation: It is recommended that the City Council authorizes CPED to enter into a contract with Lutheran Social Services (LSS) not to exceed \$200,000 for 2010 for the administration of the "It's All About the Kids" Program.

Previous Directives: On July 27, 2001, the City Council approved the appropriation of \$300,000 in Fund FNA for the program. On April 22, 2002, the Minneapolis Community Development Agency (MCDA) Board of Commissioners authorized the MCDA to enter into a grant agreement with the Youth Coordinating Board (YCB) to fund the activities of the Minneapolis Redesign over a two-year term for \$172,288. On November 14, 2002, the MCDA Board authorized a contract increase with LSS for \$88,730 and reduced the commitment to YCB for Minneapolis Redesign to \$142,162. On January 21, 2003, the MCDA Board authorized canceling the contract with YCB and increasing the funding for LSS to \$145,143. On February 13, 2004, the City Council approved amending the existing contract to increase the 2003 funding to LSS in the amount of \$37,196 and authorized CPED to enter into a contract with LSS for \$200,000 for funding in 2004. On April 1, 2005, the City Council authorized CPED to enter into a contract with LSS, the fiscal agent for the program, for \$200,000 for funding in 2005. On December 23, 2005, City Council approved the 2006 budget. On April 28, 2006, the City Council authorized CPED to enter into a contract with LSS for \$200,000 for funding in 2006. On February 23, 2007, the City Council authorized CPED to enter into a contract with LSS for \$200,000 for funding in 2007. In December 2007, the City Council approved the 2008 budget which included funding in the amount of \$200,000 for this program. On July 11, 2008, the City Council authorized CPED to enter into a contract with LSS for \$200,000 for funding for 2008. In December 2008, the City Council approved the 2009 budget which included funding in the amount of \$200,000 for this program. In December 2009, the City Council approved the 2010 budget which included funding in the amount of \$200,000 for this program.

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Approved by: Charles T. Lutz, Deputy CPED Director _____

Thomas Streitz, Housing Director _____

Presenters in Committee: Edie Oliveto-Oates, Senior Project Coordinator

Financial Impact

No financial impact

Action requires an appropriation increase to the Capital Budget _____ or
Operating Budget _____

- _____ Action provides increased revenue for appropriation increase
- _____ Action requires use of contingency or reserves
- _____ Action is within the Business Plan
- _____ Action requires a change to the Business Plan
- _____ Other financial impact
- _____ Request provided to the Finance Department when provided to the Committee Coordinator

Community Impact

City Goals: In five years, all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.

Supporting Information

Program Summary:

In 2001, through a memorandum of understanding, housing, educational and social services partners in the City of Minneapolis came together to address the complex and interrelated issues of housing instability and the effects on student achievement in low income target neighborhoods in the City of Minneapolis. The partners included Minneapolis Public Schools (MPS), the Minneapolis Public Housing Authority (MPHA), City of Minneapolis and Lutheran Social Service (LSS). The memorandum of understanding resulted in the formation of The It's All About Kids Collaborative which seeks to improve school achievement for students in Minneapolis Public Schools whose families are struggling with housing issues. In 2002, the Family Housing Fund added its support through the funding of coordination costs and landlord and household incentives. In 2007, Minnesota Housing awarded 50 long term homeless subsidies, administered through LSS. Additionally, the United Way of the Twin Cities supports the work of the Kids Collaborative financially and participates in an advisory role with the partners.

The program also receives funding from the Department of Housing and Urban Development through MPHA, the State of Minnesota, Hennepin County, private foundations and individual donors. In 2006, the Kids Collaborative was awarded a two-year grant to fund an Educational Support Advocate by the Partners Fund and a challenge matching grant through the Frey Foundation to support a Mental Health Professional who works closely with families in the program when a need has been identified. 2010 is the last year of a three-year grant that was awarded through the Children's Trust Fund to increase case management and add a Parent Support Advocate. A request for continued funding has been submitted and is being seriously considered for renewal. In 2009 The Kids Collaborative was able to increase the educational support for school aged children through an Office of Justice grant. This will allow for all children in the program to be monitored more closely as it relates to attendance and academics.

The City of Minneapolis contracts with LSS to market the program to landlords and encourage their participation in the Housing Choice Voucher program (Section 8). LSS provides case management and support services to households for a minimum of one

year of participation while in the program, while they prepare to relocate and increase their stability. This preparation and support includes advocacy in the areas of credit counseling, budget assistance, tenant education classes, and assistance with past legal issues. In 2007, LSS added an Educational Support Advocate and a Family Counselor (mental health professional) and in late 2007 a Parent Support Advocate was added to the team. This more holistic approach has enabled the families to improve their household income, increase stability in housing and the communities, reduce barriers and recidivism, and reduce program costs due to extraordinary damages to the units.

How does the program work?

One of the successes of this program is the ability to have multiple systems working in coordination on behalf of the children and their families. This involves all the core collaborative partners as well as financial and strategic supporters in the following ways:

- Minneapolis school social workers identify children who are struggling in school and identified as long term homeless. Families must also currently be living in areas of high concentration of poverty and want to move to areas of low concentrated poverty which are in closer proximity to the school. The school social worker tells the family about the program, makes the referral if the family is interested, and has the family follow up with the Intake Specialist at LSS.
- LSS identifies private landlords who will participate in the program, including ensuring that their rental units meet HUD's Housing Quality Standards. LSS also supports families by providing case management, mental health services, and educational support and links them with other community-based services as appropriate. Services offered are flexibility to meet the needs of the family. They work with families to help them maintain their housing and identify resources to help the children succeed in school.
- MPHA qualifies families for rental subsidies and provides a Housing Choice Voucher to eligible families.

The activities of the Kids Collaborative are focused on improving stability in the home environment, helping families' access resources to address issues and challenges, and supporting students to be present and engaged in learning at school. This progress report provides a brief analysis of progress on the program's defined outcomes. The collaborative secured the services of The Improve Group to do an evaluation of the program.

Evaluation Notes:

In order to analyze impact, participants were divided into cohorts according to the time in which they are most involved with the program. The cohort for the evaluation is defined as families who moved into housing under the Kids Collaborative program between September 2006 and August 2007. This is the most recent cohort for whom MPS has standardized test data. Also, MPS uses a comparison group of district Homeless and Highly Mobile students, who are not receiving Kids Collaborative services. The participant cohort is much smaller than the comparison group ($N \leq 799$); thus, a percent change can be large for the participant cohort even if only one or two individuals change, while the comparison group will be less affected by the outcomes of a few individuals. Thus, while caution must be used in interpreting results with small populations, change can be assumed to be broadly distributed in the population, rather

than just a few outliers, where analysis notes that the change is statistically significant. Finally, MPS analysis compares the school year prior to program participation to the school year after program participation to see if there were changes in the participant cohort or comparison group.

Family Demographics

The August 2009 evaluation, prepared by the Improve Group, described the profile of a typical participant family. The average household size was five people and the average number of children in the household is three. Families are often made up of a single parent. A majority of families are unemployed and have very low income at program entry. These families also experience a number of other barriers to stability, including: accounts in collection, unlawful detainers, issues with transportation and child-care, and adult mental health or chemical dependency struggles. In addition, about one-third of the children have identified behavioral issues. Parents are relatively young; the mean age of the head of household was 35 years. Most of the participating households are Black or American Indian, as seen below.

Breakdown by Ethnicity

Black	56%
American Indian	35%
Asian American	3%
White	3%
Other	3%
Total	100%

These households seem to face more barriers than those participants described in previous evaluation reports. LSS staff confirms this trend since the program began focusing solely on long-term homeless families in this cohort period. Table 1 below reflects increasing program focus on identifying households with more barriers for program participation.

Table 1. Comparison of households in current and previous evaluation reports

Characteristic	All participants from fall 2001 to June 2006 (N=190)	Current cohort participants from September 2005 to August 2006 (N=31)
Single parent households	75%	79%
Head of household unemployed at program entry	44%	66%

Financial Impact

In the current economic condition, it is important to look at cost saving measures on spending while also continuing focus on services that help people move forward. The Collaborative Partnership is dedicated to investing in human capital, realizing the success of our Minneapolis children and their families are essential to stabilizing and growing the city in the future years. It is believed, and being proven through evaluation, that the Kids Collaborative is a quality and cost effective program that aids in providing basic needs and supportive services. With supportive services and aid in basic needs, families have been able to increase income, stay stable in Minneapolis, and increase attendance for children in Minneapolis Public Schools.

To analyze the cost effectiveness of the Kids Collaborative, a program costs comparison of a similar Minneapolis-based program was performed. People Serving People, a Minneapolis non-profit serving the homeless report that the cost for a family of four (one adult and three children) per year at the shelter is \$41,905. The cost for the same family in the Kids Collaborative is roughly \$19,000 per year, including rental assistance, services, and support.

Areas of Success

Goal: The Kids Collaborative has a goal of helping 90% of participating families to remain in housing for a minimum of 12 months after they enter the program.

Achievement: According to MPHA records, 100% of participating families stayed in their housing for at least 12 months before making another move. As of December 2008, families had been in their current housing for an average of 18 months. In addition, because of the rules associated with MPHA vouchers, families by definition move into housing which passes an inspection and is in “non-impacted” Minneapolis neighborhoods. As of December 2008, families with MPHA vouchers had been in their current housing for an average of 18 months.

Goal: The Kids Collaborative aims to increase student stability at school, and set a goal that the annual average number of participants’ school moves should decrease from before to after program participation.

Achievement: MPS data shows that there was a slight decrease (.02 school moves) in the average number of school moves for participants after program participation; the comparison group had a slight increase (.01 school moves) in average school moves during the same timeframe. These changes were not statistically significant. However, while participants did not differ from the comparison group before program participation, participants did have a statistically significant lower average number of school moves after program participation than the comparison group.

Goal: Kids Collaborative seeks to impact student stability at school by increasing student attendance rates and helping 70% of participants achieve 90% attendance or better. MPS’ analysis looked at groups of students in two separate age groups: Kindergarten through grade 5 (K-5) and grades six through eight (6-8).

Achievement: While participants had similar attendance rates to the comparison group before program participation, participants had a statistically significant higher

percentage of students with over 90% attendance rate after program participation. In fact, comparison group attendance rates decreased, while participants had a statistically significant increase in the percentage of students achieving 90% or higher attendance from the period of pre- to post-program participation. While only 60% of participating students achieved over 90% attendance, falling short of the 70% goal, only 30% of the comparison group students achieved over 90% attendance in the same period.

Goal: The Kids Collaborative aims to increase the percentage of participating students making one-year growth on the districts' standardized tests (Northwest Achievement Level Tests or NALT).

Achievement: The percentage of participating students making one-year growth on both reading and math tests dropped from pre- to post-program participation; this change was not statistically significant. MPS also analyzed test performance using a normal curve equivalent, indicating a student's rank compared to their peers' performance on the NALT across the nation. This analysis showed that non-participants improved their standing on the normal curve equivalent for math scores from 32.4 to 36.1; this improvement was statistically significant. Participants did not experience a statistically significant change in their standing on the normal curve equivalent in this analysis.

Area for Continued Focus

For students in grades six through eight, this is particularly challenging as attendance trends across the district show attendance dropping for all students in grade six and continuing to drop as students advance in grades. The percentage of 6-8 grade participants with a 90% or higher attendance rate dropped from pre- to post-program participation; 20% of these students had over 90% attendance after program participation. Attendance rates for 6-8 grade participants dropped 5% while attendance rates in the comparison group dropped 14% during the period from pre to post-program participation; this change was not statistically significant.

Goal: Decrease the out-of-school suspension rate from pre- to post-program participation.

Achievement: Participants started with a higher rate of suspension than the comparison group and this continued during program participation. Both groups saw an increase in the percentage of students suspended from the pre- to post-program period. However, the participant students had a smaller increase than the comparison group did (2% versus 7%); this change was not statistically significant.

Additional Areas of success

This report details how the Kids Collaborative is helping its participating families to achieve several successes. Among those in the 2006-07 cohort:

- Family stability improved, including:
 1. Families live in safer, more stable housing

2. MFIP participation is down
 3. About 9 in 10 families are making progress on all or some of their goals
 4. LSS staff is making referrals for mental health issues for most of the families facing these issues
- Participating students decreased their average annual school moves
 - Participating students in grades K-5 improved their discipline and attendance
 - The Educational Support Advocate worked with 8 out of 10 participating families
 - Teachers say that students who had struggled to have positive interactions with peers improved over the school year

Kids Collaborative: Program Costs and Benefits

The Kids Collaborative requested some additional analysis on program costs and benefits as part of this annual program evaluation. True cost benefit analysis, using actual program costs and actual benefits, would require substantial staff time in establishing costs associated with each activity and potential benefit. The Collaborative does not currently have this capacity but has embarked on a general review of benefits here that suggests a context for understanding program value.

The program's costs of housing formerly homeless families can be compared to the costs of alternate means of providing housing for a homeless family. A major Minneapolis homeless shelter, People Serving People, provided some costs for comparison. The figures in Table 4 below cover housing a household of four (1 adult and three children) for a 12 month period. While the Kids Collaborative provides a different kind of service, the costs are clearly less than housing the family in this local shelter.

Table 2. Program cost comparison: Kids Collaborative versus a homeless shelter (one adult and three children)

Kids Collaborative	People Serving People
\$19,000*	\$41, 905**

*including rental assistance and case management services and support, but does not include participant portion of rent payment

** includes shelter and meals;

The research literature on homeless programs provides little helpful information that could be used for a comparison of cost-effectiveness; many studies focus on homeless

individuals, and often those with serious mental illnesses. One study¹ described the costs of housing a family in a shelter for a year for four different sites in the United States; the average cost ranged from \$27,000 to \$55,000 for shelter costs alone. Again, the Kids Program has a lower annual cost than any of these other programs, even though it provides case management and other support services in addition to shelter.

As part of the current evaluation, additional data will be collected in spring 2010. This data will include data from LSS case files as well as interview or survey data on teacher and family perspectives on program impact. The full evaluation report for this participant cohort will be available in August 2010.

Staff recommends the City Council authorizes CPED to enter into a contract with Lutheran Social Services (LSS) not to exceed \$200,000 for 2010 for the administration of the “It’s All About the Kids” Program.

¹ Culhane, D., Metreux, S., Park, J., Schretzman, M., Valente, J. 2007. *Testing a Typology of Family Homelessness Based on Patterns of Public Shelter Utilization in Four U.S. Jurisdictions: Implications for Policy and Program Planning*. *Housing Policy Debate*. Vol. 18, Issue 1.