



May 19, 2006

Dear Members of the Supplemental Budget Conference Committee:

The Minnesota Council of Nonprofits urges you to **support the Legislative Commission to End Poverty in Minnesota by 2020**, currently under consideration by the Supplemental Budget Conference Committee. This initiative has broad bipartisan support and has been embraced by organizations of faith, labor, and the nonprofit community.

MCN believes that the Legislative Commission to End Poverty in Minnesota by 2020 is consistent with Minnesota's tradition of working to reduce disparities and ensure an adequate quality of life for all Minnesotans. The work of the nonprofit sector in direct service, research and advocacy demonstrates that community based organizations understand strategies for reducing poverty and providing people with opportunities for economic self sufficiency. MCN appreciates the design of a Commission that includes input from nonprofit organizations.

Strategies developed by the 1987 Commission on Poverty convince MCN that the proposed Commission can develop innovative approaches to poverty reduction. The 1987 Commission's work led to tremendous policy innovations that resulted in increasing the minimum wage, sliding fee health insurance, a refundable tax credit for low-income workers, sliding fee child care assistance, and state supplemental funding for Head Start and nutrition for pregnant women and children through WIC. There were also great strides made in the state's welfare-to-work programs.

The Commission is designed to meet a serious need. Research by the Minnesota Budget Project, an initiative of the Minnesota Council of Nonprofits, finds that the benefits of strong economic growth since the early 1980s were not broadly shared by all Minnesotans. The gap between high-income and low-income Minnesota families has grown over that time, so that in the early years of this decade, the richest fifth of Minnesota families had average incomes that were nearly six times as large as the poorest fifth. The Minnesota Budget Project's research also shows that policy choices can be successful in closing the income gap. The wealthiest fifth of Minnesota families would have incomes eight times the incomes of the poorest fifth if the impact of federal tax policy including the Earned Income Tax Credit, food stamps, subsidized school lunch, and federal housing vouchers is not taken into account.

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We believe it is time for a renewed state commitment to reducing poverty in Minnesota, not just because it's the right thing to do to help low-income families, but because it's the right thing to do for all of us. We appreciate your support and thoughtful deliberation in advancing this work.

Sincerely,

Marcia Avner  
Public Policy Director

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Minnesota Budget Project Director