

**Catholic Charities**  
**2009 State Legislative Agenda**  
***February Update***

**Overview**

On Tuesday, January 27<sup>th</sup>, Governor Pawlenty submitted his 2010-2011 budget proposal. The Governor suggests solving the budget shortfall by cutting business taxes by 50%, leveraging the state's tobacco endowment fund to raise \$1 billion in one-time bonding money, offsetting payments to local school districts and budget cuts.

Our most direct concern is the Governor's suggested budget cuts. Overall, the Governor proposes \$2.4 billion in cuts from the budget. The largest share of the cuts comes from the Health and Human Services budget, which is set to see \$1.3 billion in program reductions.

These budget challenges have made it difficult for legislators to promote forward-looking legislation, and most of the conversation at the Capitol has been focused around protecting low-income communities from dangerous cuts to programs that support them.

**Housing and Homelessness**

- Secure dollars for the operation of supportive housing programs.
- Support the passage of the Runaway and Homeless Youth Act.
- Promote programs that transfer ownership of foreclosed homes from lending institutions to those in need of housing.

**CURRENT PROGRESS:**

The Minnesota Senate has convened a joint subcommittee on housing, which includes members from the Economic Development & Housing Budget Division and the Committee on Health, Family Security and Housing. Last week, they heard testimony from advocates promoting continued or expanded funding of supportive services. In difficult budgetary times, it will be a struggle to maintain current funding levels for housing programs.

Key provisions in the Governor's Budget:

- State funding for housing/supportive service programs that were the most vulnerable are in tact.
- Housing Trust Fund increased by \$4 million in order to fully fund the state plan to end long term homelessness
- This additional \$4 million is paid for by taking funding from the Challenge Program that funds grants and low-cost loans for the development of housing opportunities.

- \$1.5 million in the Disaster Relief Fund (used for tornado and flood aftermath) shifted to rental assistance for families living in shelter.
- \$100 million cut from the Renter's Credit

**Problem:** Given the mortgage foreclosure issue, there is increased demand for rental housing. The Governor's cut to the Challenge fund means 1200 fewer rental units and 500 fewer owner-occupied units will be constructed.

**Potential backfill from the House version of the Federal Stimulus Plan:**

- \$38 million on the way from the federal government to address foreclosure. Emergency Shelter Grant Program for homelessness prevention, emergency shelters and street outreach; a total of \$24 million to states and localities would assist 5100 Minnesota households. These dollars are not for emergency shelters but for short term or medium-term rental assistance, housing stabilization services, and housing relocation assistance, including security or utility deposits and moving costs.

**Health Care and Mental Health Care**

- Assure that all children have access to quality health care through "cover all kids" legislation, including children who are undocumented.
- Increase funding for community-based mental health.
- Expand MinnesotaCare as it was originally intended and protect the Health Care Access Fund from being used to plug the budget gap.

**CURRENT PROGRESS:**

On the proactive front, Representative Paul Thissen and other legislators have introduced the Minnesota Health Security Act (HF174), which ensures comprehensive mental, dental, and physical health coverage for children.

Senator Linda Berglin has introduced legislation (SF207/HF181) that would actually expand MinnesotaCare eligibility and spend down HCAF in an effort to secure more federal health care dollars.

The Governor's budget proposal:

In an effort to balance the budget, the Governor suggested eliminating over 113,000 people from MinnesotaCare and other programs, and transfer money from the Health Care Access Fund (HCAF) into the General Fund in order to balance the budget. Key provisions included in his budget include:

- Eliminate adults without children from eligibility for MinnesotaCare
- Adults with children eligible for MinnesotaCare/Medicaid only to 100% of the federal poverty level.
- Eliminates transitional MinnesotaCare for adults and children
- All rates for health care reduced by 3%-- this includes ARMHS, Intensive Rehabilitation Treatment Services, CTSS
- Eliminates GAMC hospital only

- Eliminates dental care coverage in MinnesotaCare and GAMC and Medicaid
- 6% cut in inpatient psychiatric hospital care
- Cut in spending for personal care attendants

**Potential Impact of the House version of the Federal Stimulus Package:** Medicaid provides health care coverage for low-income people. \$1.9 billion in temporary additional funding from FY 2009 to FY 2011

## Early Childhood

- Protect current child care funding.
- Increase funding for early childhood education.

### **CURRENT PROGRESS:**

A bill for quality improvement has been introduced. The costs of doing incentive rewards for excellent child care programming were not specifically listed in the legislation.

The Governor's budget includes

- \$20 million cut from the Child Care Assistance Program, this would increase child care co-payment costs for parents to as high as 17% of their income.
- Cut Payments to child care providers

### **Potential Impact of the House version of the Federal Stimulus Package:**

\$2 billion in child care dollars through the Child Care and Development Block Grant to be distributed through out the nation. \$26 million to Minnesota (House plan is in two chunks while Senate is on lump sum in 2009).

## Jobs

- Support the passage of an emergency jobs package for displaced workers.
- Support legislation that guarantees a minimum number of paid sick days for all Minnesota workers.
- Increase the minimum wage from \$6.55-\$8.25 over two years.

### **CURRENT PROGRESS:**

There is an effort being organized between depressed communities, environmental leaders and labor to develop a "Green Jobs" plan that would spread the stimulus dollars beyond high end construction jobs to more diverse communities. E.g. job training for to make homes more energy efficient. Etc. HF 11 (no Senate companion) addresses the green jobs aspect without giving a preference to depressed communities.

**Potential Impact of the House version of the Federal Stimulus:** The number of jobs totally depends on the final outcome of this legislation.

## **Public Assistance**

- Protect and strengthen the safety net for those living in poverty by restructuring and funding the Emergency Assistance Program.
- Raise the income eligibility criteria for the free lunch program from 130% of poverty to 185%.
- Create a moratorium on the Diversionary Work Program and the 60 month time limit, rules of Minnesota's welfare program, the Minnesota Family Investment Program.

### **CURRENT PROGRESS:**

Public Assistance programs are currently caught up in the budget crisis. SF 481/HF453 allows for a temporary extension of the 60 month timelimit. SF 422/HF 580 expands education and training for those on MFIP. None of the other initiatives have a legislative vehicle at this point.

## **State Budget, Tax Revenues and Tax Fairness**

- Taxes should be on the table as one of many options in dealing with the budget deficit.
- Any new taxes or tax structure should be based on the ability to pay, simplicity and political accountability.

### **CURRENT PROGRESS:**

Still pending.

## **Immigration**

- Defeat anti-immigrant legislation.
- Provide immigrants with the assistance they need to become citizens.

### **CURRENT PROGRESS:**

HF431 (no Senate companion) sanctions employers for hiring undocumented immigrants.

## **Criminal Justice**

- Advocate for alternatives to incarceration for those with mental illness such as mental health courts.
- Provide discharge planning and public mental health services to ex-offenders who are mentally ill.
- Provide ex-offenders with Certificates of Rehabilitation (administered by the court or other government agency) that would open doors to employment and housing.

### **CURRENT PROGRESS:**

Legislative leaders are reluctant to move forward with legislation that would make it easier for ex-offenders to obtain employment, given growing unemployment numbers and the overall economic outlook.

While the overall court system is facing budget cuts, it is unlikely that mental health courts will be funded and supported. However, HF448 would add mental health crisis teams to 911 emergency responders where available. Ideally, this legislation would prevent those suffering mental illness from coming into dangerous contact with the criminal court system.

Specific bills introduced include:

**Senators Latz, Moua, Pappas and Higgins; Representatives Sheldon Johnson and Michael Paymar**

**[S.F. No. 537](#)**: Requires postsecondary institutions to notify prospective students of the potential effects of a criminal conviction on future employment.

**Senators Latz, Moua, Rest, Higgins and Pappas; Representatives Sheldon Johnson and Michael Paymar**

**[S.F. No. 538](#)**: A public employer may not inquire into or consider the criminal record or criminal history of an applicant for public employment until the employer has offered the prospective employee a conditional offer of employment. This offer may then be withdrawn based on the prospective employee's criminal record or history if doing so is not inconsistent with other provisions of the law.

**Senators Moua; Olson, M.; Latz and Higgins**

**[S.F. No. 562](#)**: Provides protections for private employers from civil liability in the hiring of an employee with a criminal record.

**Senators Moua, Foley and Higgins**

**[S.F. No. 564](#)**: Restoration of voting rights.

## **Property Tax Exemptions**

- Ensure that property and sales tax exemptions continue for non-profits that are defined as a “purely public charities”.

**CURRENT PROGRESS:** Rep. Paul Marquart will be the sponsor of this bill in the House. It has not been introduced at this point. MNCN’S Day on the Hill was Feb 5 and non profits spent the day talking to legislators about property and sales tax exemptions for non profits.

## **Legislative Commission to End Poverty**

- Evaluate the recommendations of the commission and support measures that would measurably reduce poverty in Minnesota by 2020.

**CURRENT PROGRESS:** The Report was launched on January 21 at the If Not We, Then Who, If Not Now Then When, convening at the Landmark Center. The full report is

available on line at

[http://www.commissions.leg.state.mn.us/lcep/LCEP\\_Final\\_Report\\_SinglePgs.pdf](http://www.commissions.leg.state.mn.us/lcep/LCEP_Final_Report_SinglePgs.pdf)

### **Vehicle Emissions**

- Adopt Clean Cars legislation that will reduce greenhouse gas emissions.

#### **CURRENT PROGRESS:**

HF 86/SF 13 Reduce the carbon intensity of transportation fuels by 10% between 2011-2020.