

2008 Legislative Session Update
Catholic Charities' Office for Social Justice
May 6, 2008

OVERVIEW

With less than two weeks remaining before the May 19th legislative adjournment, the state Capitol is abuzz with activity. The hectic pace at the Capitol this session has left even the most experienced advocates looking to catch their breath. Passing a bonding bill and finding a solution to the \$935 million dollar deficit were the main orders of business entering this session, but there have also been thousands of other bills that have been jockeying for the attention of our lawmakers.

We can already celebrate the victory on some of our important priorities, particularly funding for supportive housing. In this update, we will focus on what remains on the table, and some ways that we can continue to influence the process.

Most of the legislation that we support is alive and well, though nothing is ever done until passed by both houses and signed by the Governor. The next two weeks will take an incredible effort from the grassroots advocacy community to ensure that our sizeable deficit is not balanced at the expense of crucial anti-poverty and health care programs.

The budget deficit, coupled with a grim economic outlook, lead us towards some tough decisions as a state. It is essential that we encourage our legislators to respond in a way that protects the common good by defending the poor and the vulnerable.

Health and Human Services and the Budget Deficit

The House and the Senate are still in negotiations with the Governor's office regarding the budget deficit. All three branches agree on using budget reserve funds and broad cuts across the board. The Governor has backed off his original plan to take \$250 million from the Health Care Access fund, which funds programs for the poor and low-income workers. While this is a major step in the right direction, Health & Human Services (HHS) still faces a disproportionate burden in balancing the budget.

On Monday, May 6th, the omnibus budget conference committee released the HHS agreement between the House and the Senate. The agreement includes \$147 million in general fund reductions to HHS services for the current biennium (compared to the original \$526 million by the Governor).

Some of the major components include:

- Using \$63 million of the \$92 million in reserves from the Temporary Assistance for Needy Families (TANF) account to balance the budget. TANF is the federal welfare-to-work program. This money will be shifted to the general fund to help balance the budget. We oppose this shift because these dollars will no longer be available for important anti-poverty programs.
- \$8.2 million in TANF dollars used to improve services for low-income families, including increasing work support grants for counties, repealing the family cap

for families on MFIP and providing funds for long-term homelessness services (see public assistance section below).

- No funds are transferred from the Health Care Access Fund.
- Transfers \$9 million in unspent funds for the Basic Sliding Fee child care program to the general fund. These funds should be used to reduce the 3,700 families currently on the waiting list instead of being used to fill the budget gap.
- There are significant reductions in funding for hospitals and some for pharmacies.
- Nursing home facilities get a slight cost of living adjustment.
- All grants from the Dept. of Human Services and Dept. of Health are reduced by 1.7%.
- Reductions in services for individuals with disabilities.

This is not necessarily the final proposal from the legislature, as amendments will be offered. There are high-level talks on a consistent basis between House and Senate leadership and the Governor's office as they work towards a compromise before the May 19th deadline.

Health Care

We are pleased with the Governor's decision to protect the integrity of the Health Care Access Fund. However, he has also suggested \$125 million in cuts to General Assistance Medical Care (extremely poor childless adults) and Medical Assistance (low-income adults and children) that would have a devastating impact on the lives of Minnesotans.

Health care reform bills have passed through both the Senate and House (SF 3099 and HF 3391) to expand access to MinnesotaCare and invest in preventative care. The legislation is in conference committee at this time. Funding for these programs would come from the same HCAF funds the Governor had recommended to use for the budget shortfall.

Action Opportunity: Call House and Senate Leadership & Governor Pawlenty and ask them not to balance the budget through cuts to health care programs for low-income Minnesotans. (See phone numbers at the end of this update).

Public Assistance

As mentioned above, the Governor and the legislature use the federal TANF funds to help plug holes in the budget. We argue that these are not "surplus" funds so long as more than 150,000 children in Minnesota live in poverty. These safety net and workforce funds are exactly the investments we should deploy, not deplete, in a weakening labor market.

In a letter from the Governor to the legislature outlining his concerns about legislative budget proposals, The Governor states concern that there would be nearly 9 million

dollars in additional funding for work supports to the public assistance program while other areas are being cut.

Even in a budget cutting year, three important initiatives for very low income families are moving forward in the supplemental budget bill:

- Repealing the 'Family Cap': Passed in 2003, the Family Cap freezes the cash allowed for public assistance, even if a new baby is born into the family.
- Paid work experience: This program gives people the skills and work experience needed to move into the competitive labor market.
- Funding to community agencies to help low wage working parents repair and replace cars.

Action Opportunity: Call the Governor and members of the budget conference committee and ask that they approve the above provisions. (See phone numbers at the end of this update).

Minimum Wage

At a May 2nd press conference, legislative leadership joined Archbishop Harry Flynn in calling for greater dignity and respect for workers, and asked that the legislature and the Governor approve an increase in the minimum wage.

On May 6th, a joint House and Senate conference committee agreed upon a final proposal to send to the Governor. The bill would raise the minimum wage to \$7.75 by July 2009 (from a planned federal increase of \$7.25). In an attempt to deliver a bill the Governor would sign, they inserted a training wage for workers under the age of 18, stripped the annual inflationary increase, and lowered the increase from \$7.90 to \$7.75. Furthermore, small businesses will have a rate \$1.00 less than larger employers.

Senate File 875 should be on the Governor's desk by the end of the week.

Action Opportunity: Contact the Governor and ask him to sign the minimum wage bill! (See phone number at the end of this update).

Housing

Access to impounded vehicles for low-income individuals: Language that is part of a larger Transportation Finance bill (SF 3223 and HF 3800) would allow individuals who are low-income to access their personal belongings, clothing, identification, school books, work tools, and whatever else may be in the car.

To remedy this situation, the legislature has devised an innovative solution. If an individual is enrolled in a state or federal public assistance program, they must be granted access to the contents of their vehicle, and will be able to remove their personal items from their impounded vehicle.

The Transportation Finance omnibus bill is currently in conference committee, where they are working out the differences. We are cautiously optimistic that the impound provision will remain in the final bill sent to the Governor.

Criminal Justice

Catholic Charities supports bills that would have a positive impact on the lives of ex-offenders in Minnesota; these bills continue to work their way through the legislature.

Senate File 2790 and House File 2996 would defer prosecution for a limited set of first-time drug offenders, protect ex-offenders from “collateral sanctions”- those impediments to housing, employment, and other services that ex-offenders so often face, and direct the Department of Corrections to assess the need for re-entry facilities for ex-offenders.

After meeting a stringent set of eligibility requirements, an ex-offender would be eligible to apply for a “certificate of good conduct,” which he or she would then be able to use to prove rehabilitation when applying for jobs or housing.

Both pieces of legislation have been substantially changed (and weakened) as they have moved through their houses of origin, but they both make progress towards better treatment of ex-offenders. A conference committee has been scheduled for next week to work out the differences between the House and Senate versions of the legislation.

Action Opportunity: Call members of the conference committee (listed below) and ask them to retain provisions in the conference report that allow ex-offenders to apply for certificates of good conduct.

- Rep. Paymar (651) 296-4199
- Rep. Liebling (651) 296-0573
- Rep. Eastlund (651) 296-5364
- Sen. Higgins (651) 296-9246
- Sen. Moua (651) 296-5285
- Sen. Ingebrigtsen (651) 297-8063

Contact Information for Items Above:

- Governor Tim Pawlenty: 651-296-3391
- Senator Majority Leader Larry Pogemiller: 651-291-7809; Senate Minority Leader David Senjem: 651-296-3903
- Speaker of the House Margaret Anderson Kelliher: 651-296-0171; House Minority Leader Marty Seifert: 651-296-5374.

For more information on this update, contact Patrick Ness at 651-291-4484; Adam Robinson at 651-291-4536 or Kathy Tomlin at 651-291-4537.