



CATHOLIC CHARITIES
Office for Social Justice

SEEDS of JUSTICE

AUGUST 2011

CHANGING HEARTS AND CHANGING STRUCTURES ON BEHALF OF SOCIAL JUSTICE | OSJSPM.ORG

At Last: We Have a State Budget End of Session Recap 2011

When Governor Dayton sat down on July 20th to sign the biennial budget bills that fund the Minnesota state government, he did so at the end of a full regular legislative session, a 20 day government shutdown, countless court cases about “essential” government services, budget bills negotiated behind closed doors, and, finally, a late-night special session. The shut-down was indicative of one of the central challenges of the current political climate: the Governor’s and legislative leaders’ inability to compromise on a comprehensive budget solution.

The Republican legislative majorities were committed to not raising taxes, and the Governor was committed to raising taxes, which frequently brought negotiations to a standstill. Prior to and during the session, the Governor proposed numerous tax increases as part of a solution to the state’s \$5 billion budget shortfall. Initially, Governor Dayton proposed a tax increase on the top 2% of all income earners. After repeated negotiations, the Governor suggested a temporary income tax surcharge only on individuals making more than \$1 million per year and a \$1 per pack increase on cigarette taxes. This suggestion, too, failed to meet the Republican-controlled legislature’s approval.

Finally, Governor Dayton accepted a Republican budget offer made just prior to the shutdown – one he had rejected earlier, but this time with significant conditions, that shifts school payments by \$700 million and issues up to \$900 million in bonds on future tobacco settlement payments, by which the state plans to raise \$640 million. The proposal raises no new revenue, but does expand the base of funding to balance the budget shortfall. This budget solution was frustrating to many anti-poverty advocates, who felt that a combination of raising taxes, careful program cuts and innovative program reforms was the best

way out of the budget crisis. Borrowing against school payments and the tobacco settlement merely “kicks the can down the road” to future budget years, when these loans will have to be repaid.

Overall, there was much to be disappointed about during the last legislative session. The Governor and legislature were frequently unable to find a way to compromise and protect the needs of people living in poverty and crisis. However, many programs that were slated for funding cuts or outright elimination were protected in the final budget settlement.



Here is a rundown of some of the major legislative items that Catholic Charities focused on during

the past year and the result of legislative action, during the regular and special sessions of the 2011 Minnesota legislature:

Protect General Assistance (GA) from Elimination: In a huge victory for Catholic Charities clients and others who rely on GA for cash assistance, GA was left mostly untouched in the final budget solution. There were policy changes that will impact GA enrollees, but overall, the program remains funded and functional. One policy change is that cash benefits for GA & Minnesota Supplemental Aid must be issued on a debit card with the head of

(Continued on page 2)

household's name printed on the card. However, there are no restrictions on cash benefits and use outside of Minnesota – a policy change that had been threatened. Also, adults who are unable to work because of illness or injury must be unable to work for at least 45 days instead of 30 days before they are eligible for General Assistance.

Protect Minnesota Family Investment Program from Eligibility, Income and Infrastructure Cuts:

In another big win, families with disabled parents who have turned to the Minnesota Family Investment Program will not see their assistance cut. Parents on MFIP will not face new restrictions to training and education. Overall, the MFIP consolidated fund was cut by \$20 million – not quite a 10% cut. That fund pays for employment services, emergency assistance, the operations of the Diversionary Work Program and the state's share of eligibility worker costs. This cut will result in shrinking the infrastructure of the program, thereby increasing already large caseloads for MFIP workers.

Maintain Child Care Assistance Program and Reimbursement Rate: Child care faces \$26 million in cuts that mean child care providers will be paid less than they were in 2006. A policy change means that licensed child care providers cannot be reimbursed for more than ten absent days per child, in a fiscal year, down from the previous twenty-five. Catholic Charities Northside Child Development Center alone will see a \$160,000 per year gap due to losing reimbursements for children absent more than ten days.

Provide Mental Health Funding for Community Based Services: At various times during the session there were over \$30 million in proposed cuts with some programs, such as school-linked mental health grants, being totally eliminated. In the end, children's mental health screening grants were cut by \$200,000, children's mental health evidence-based practices grants were cut by \$250,000 and adult mental health grants were cut by 10%. The Children and Community Services block grant, 22% of which funds mental health services (16% for children) was cut by \$22 million and it will now only cover child protection and vulnerable adult activities. One good policy provision is that individuals who perform chemical dependency or mental health diagnostic assessments must also assess whether the person has co-occurring mental health and chemical dependency

disorders. So all told, the mental health system lost funding, but it could have been much worse and key grants for specific activities, like school-linked, crisis services, respite care, etc. were held harmless.

Maintain Funding for Group Residential Housing (GRH):

More good news: GRH funding was fully maintained, but with a limited set of policy changes attached to it. GRH funding can now only be granted to residential facilities that “encourage a policy of sobriety on their premises.” In the case of chronic inebriate housing (like Catholic Charities St. Anthony and Glenwood Residences), staff members already encourage sobriety, while treating clients in a harm reduction model.

Protect Family Homeless Prevention and Assistance Program from Cuts (FHPAP): FHPAP was fully funded at its base level.

Maintain Funding for Housing for At-Risk Youth: Programs that support housing for at-risk youth faced no cuts, and were funded at base level.

Expand Health Care Access/Dental Coverage: The final budget agreement negotiated between the Governor and legislature continues the so-called “Medical Assistance (MA) Expansion” and does not eliminate early enrollment into MA for people whose income is at or below 75% of the Federal Poverty Guidelines (FPG) – a gigantic victory for low-income people. Physical therapy, occupational therapy, glasses, dentures, and prosthetics remain covered for people on MA.

However, the budget agreement requires that the Governor ask the federal government for MA reform waivers, including being able to set asset limit for adults on MA with incomes below 75% FPG and impose a 180 day residency requirement before a person is eligible for MinnesotaCare.

On the other hand, the budget moves single adults on MinnesotaCare with incomes at or above 200% FPG (\$21,780) onto the “Healthy Minnesota Contribution Program.” People on this plan will be given a defined contribution (voucher) to purchase health care coverage in the private market. The plan must include coverage for mental health and chemical dependency. The amount received will be based on age and income. (For example: People

(Continued on page 3)

ages 19-29 with incomes at 200% FPG would receive \$116 per month to help pay for health insurance.) Many question whether the voucher will be sufficient and whether people will have enough income to pay co-pays and deductibles.

Include Hiring Equity Language in Publicly-funded Infrastructure Projects: In partnership with the HIRE Minnesota Coalition, OSJ advocated for the inclusion of hiring equity language in any bonding bill passed during the regular or special session. Though a \$500 million bonding bill was passed as part of the special session agreement, there was no hiring equity language in the bonding bill.

There are many victories to celebrate, but challenges lie ahead as Minnesota attempts to balance future budgets and find sustainable sources of revenue to fund the state's needs.

Put simply, this was a grueling legislative session. Catholic Charities Office for Social Justice, clients and staff of Catholic Charities and people living in poverty and crisis throughout the entire state of Minnesota are thankful to you for your advocacy. Your calls, emails, visits to the Capitol and attendance at in-district meetings with your legislators during the session and during the shutdown helped to turn the tide toward a budget that largely protects people experiencing poverty, homelessness, and other crises.

The budget and policy questions ahead of us require long term thinking and planning. This ability to "re-position" ourselves as a state or a nation, however, conflicts with the very nature of our political calendars. Pursuing the two year election and budgeting cycles focused more on party ideology, party bosses, and politicking doesn't create the space for good planning. Combined with a mixture of facts and myths, these election months turning into years can often yield misleading identification of the problems we face and simplistic solutions.

Both the state and the nation need bipartisan leadership focused on the quality of life that we expect to enjoy and how governments can balance reform, a fair tax structure and spending cuts. It seems

unreasonable to arbitrarily hold the line on spending without having the conversation about the needs of the state and the revenue it will take to meet those needs.

It also seems unreasonable to arbitrarily decide to expand revenue without doing the quality planning that will streamline services and develop more innovative ways of doing the work. Most businesses and non-profits know that it takes investment to do planning that is thoughtful, engages the right people and communicates recommendations clearly. It also takes leadership to provide the framework and information to persuade the public about the rationale for the direction, the investment, and cost-benefit of not continuing to do things the same old way.

So keep those advocacy skills sharpened! We have work ahead of us.

Kathleen Tomlin
Director

Marie Reigstad
Public Policy Manager

Adam Robinson
Former Public Policy Organizer

Goodbye



OSJ is sad to announce the departure of our fantastic organizer, Adam Robinson. We will miss Adam's great sense of humor, enthusiasm for Catholic Social Teaching, passion for working with people living in poverty, and energy for helping people become confident, competent advocates.



Sowers of Justice
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CHANGE SERVICE REQUESTED

*Sow for yourselves justice,
 reap the fruit of faithful love;*

*Break up for yourselves
 a new field, for it is
 time to seek the Lord,
 until the Lord comes
 and rains down justice
 upon you.*

Hosea, 10:12



MARK YOUR CALENDARS

Justice for Immigrants:
 The Theology of Migration and
 Framing the Message

Justice for Immigrants Regional Conference

Sept 30, 2011- St. John's University
 Oct 1, 2011- St. Catherine University



Keynote Speaker:
 Reverend Daniel
 Groody C.S.C.

Fr. Groody, an associate professor of theology at the University of Notre Dame, has written on migration, globalization and theology.

Contact For More Information:

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Social Justice Meet Up September 22, 2011

Hayden Center—Smith Hall
 328 West Kellogg Blvd ♦ Saint Paul, MN 55102
 7:00 p.m. – 8:30 p.m.
www.osjspm.org on the Parish Page

Sunday, September 25 Pray for the DREAM Sunday

The DREAM Act is federal legislation that could stop injustice by giving students who have grown up and graduated from high school in the United States the opportunity to earn legal status through higher education or military service. On September 25 churches around the country will incorporate into Masses prayers, homilies and petitions in support of DREAM-eligible students.

As Catholics, we support the DREAM Act because we believe in protecting the dignity of every human being, allowing everyone to reach their God given potential.