

Minnesota Legislature Grapples with \$5 Billion Deficit
Information from the Office for Social Justice

The legislature has until May 23 to balance the budget and have it approved by Governor Dayton. As of May 2 the Conference Committees had not made much progress. Current conditions in the state:

- Child poverty rates: Ramsey county 27%; Hennepin County 16%
- Homelessness rate: 9.452, up from 7.751 in 2006

State Budget Status 2012-2013: \$5 billion deficit

Budget			Total
Current law			\$39 B
Alternatives	cuts	revenue	
Governor	\$1.6 B	\$3.34 B	\$37 B
Legislature	\$4.5 B	\$0.3 B	\$34 B
Health & Human Services budget			
Current law			\$12.3 B
Governor	\$0.5 B		\$11.4 B
Legislature	\$1.6 B		\$10.7 B

The cuts proposed by the Legislature would mean:

- Those in poverty would be at increased risk.
- More people would fall into poverty.
- Catholic Charities programs would be cut and client services impacted.
- Shifts from prevention to emergency services would increase costs.
- Federal cuts will compound the impact.

General Assistance (GA) is the primary State safety net for single low-income and childless couples. These people are unable to work. Proposed legislation in the Minnesota House would reduce eligibility for:

- Those waiting for Social Security Income or Social Security Disability Income
- People over age 18 whose primary language is not English and are in High school at least half-time
- Caregivers for disabled or ill family members
- Homeless youth

The Minnesota Senate proposes replacing GA and Emergency General Assistance (EGA) with a block grant to counties, tasking them with serving these populations. The grant would be capped at \$47 million per year, a reduction of \$20 million per biennium from current funding. Catholic Charities has clients receiving General Assistance who pay 1/3 of their GA income (a maximum of \$50 a month) for rent at several programs that receive Section 8 (HUD) funding.

The impact of cuts for Health and Human Services is forecast to increase actual costs by 81% as people seek alternative care. The GA cash grant of \$203 per month (\$260 for couples) has not increased since 1987. The House bill calls for cuts and exclusions amounting to 29%. The Senate bill sets a cap at \$47 m per year in the form of block grants to counties, a difficult but better option.

Group Residential Housing pays for low-income adults living in licensed settings. Eligibility requirements for those over 18 years old include being aged, blind, and disabled. There are maximum income and assets determined by the county. All recipients are at risk of institutional placement or homelessness. The House eliminates supplementary service rates for providers who do not enforce sobriety. This will result in more expensive housing: Catholic Charities works with alcoholics at \$50 per night. Others charge much more: State Prison (\$84), Detox (\$225), Regional Treatment Centers (\$982), Behavioral Health (\$1,121), Inpatient Psychiatric (\$2,472). The Senate makes no specific changes, so that bill is preferable.

The staff at the Office for Social Justice is happy to answer your questions.
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ACTION

Please contact the Governor (651-201-3400) and your state Senator and Representative with this message:

- Your name, address, and city
- That you support Catholic Charities Sowers of Justice Network.
- That you support the Senate's position on Group Residential Housing.
- That you support the Governor's position on General Assistance with no cuts in funding or eligibility.