



The poor and vulnerable bear the brunt of the Governor's unallotment plan

Background:

Governor Pawlenty announced his intended budget cuts on Tuesday afternoon, including an additional \$236 million in cuts to human services. These cuts are added to the almost \$500 million in cuts made by the legislature and the \$381 million the governor eliminated for health care for the poorest adults through the General Assistance Medical Care (GAMC) program. In total, the cuts to Health and Human Services for the coming two years are now over \$1 billion.

As the numbers of uninsured grow, the Governor intends to pull health care coverage from the poorest adults even sooner than was already planned. And in the midst of the worst housing crisis in generations, he is eliminating emergency funds to help disabled and unemployable adults avoid homelessness – while also cutting funds that pay for homeless shelters and housing for the long-term homeless. The unallotment cuts target children in a number of ways: less money to help collect child support for children in poor households; to serve children and teens who are abused or disabled, and specifically a cut to services for American Indian children who are abused or neglected.

In addition, low income renters – many of whom are elderly or disabled – will have their renters' credit reduced by a total of \$51 million (27%). The renters' credit is a refund to 275,000 low and moderate income renters whose property taxes make up a large share of their income. There is more information about the renters' credit at the MN Budget Project website at <http://www.mncn.org/bp/renterscredit.htm>.

The cuts in Human Services include:

- Elimination of Emergency General Assistance (EGA) and Emergency Minnesota Supplemental Assistance (EMSA) for those who are unemployable or disabled (\$15 million)
- Lowering of asset limits to be eligible for key services (\$6.1 million)
- Reduction in children and community service grants (\$39 million)
- Refinancing of Transitional MNCare from Health Care Access Fund instead of General Fund (\$37.5 million)
- 5% supplementary service rate reduction to Group Residential Housing, which funds homeless shelters and long-term housing (\$1.8 million)
- General Assistance Medical Care will now end on March 1, 2010, 1 1/2 months earlier than the Governor's previous line item veto (\$15 million)
- Reduction to county mental health grants (\$8.1 million)
- Elimination of three specific chemical dependency grants (\$1.4 million)

The complete list of the cuts Governor Pawlenty intends to make can be found here: http://www.mmb.state.mn.us/doc/budget/unallotment/unallotment_2009.pdf.

Please look for more information in the coming weeks as we move to ensure a Minnesota that works for everyone.