

Catholic Charities of St. Paul and Minneapolis 2010 State Legislative Agenda

Restoring Health Care Coverage to those Losing General Assistance Medical Care

The struggle to provide health care for people living in poverty is a significant issue that will, in part, define the 2010 session of the Minnesota legislature. During the 2009 legislative session, funding for General Assistance Medical Care (GAMC) was line-item vetoed, then further unallotted by the Governor at the end of the 2009 session. As a result, the program will come to an end on March 1, 2010.

Efforts by the Governor and Department of Human Services to transition GAMC enrollees onto MinnesotaCare are unsatisfactory solutions because of the costs of premiums and copays, and the \$10,000 hospitalization cap. The legislature convenes on Feb. 4, 2010, leaving little time for our elected leaders to rectify this difficult situation.

According to Minnesota Human Services Commissioner Cal Ludeman, GAMC serves “the poorest of the poor and the sickest of the sick,” including hundreds of Catholic Charities clients. While more than 30,000 Minnesotans are enrolled in GAMC at any give time, nearly 80,000 access GAMC during the course of a year. These GAMC enrollees live on \$7,800 a year or less. Most are men (60%), most struggle with mental illness (70%) and/or chemical dependency, and many have chronic physical disabilities (40%). With the health coverage provided by GAMC, enrollees are able to maintain housing stability, manage chronic and mental illnesses, access other supportive services, and, importantly, stay clear of the criminal justice system.

A solution for the GAMC crisis is absolutely necessary, even in desperate economic times. A “new” and reformed GAMC program must include a benefit set that will meet the needs of this vulnerable population. Importantly, any solution to the GAMC crisis must not come at the expense of other programs that assist those living in poverty.

Legislative Priorities:

- Ensure continued health care coverage for individuals currently enrolled in General Assistance Medical Care
- Support adequate funding to continue health care for this vulnerable population

Comprehensive Immigration Reform

The Hispanic Pew Forum estimates that at least twelve million undocumented immigrants live and work in the United States today. The motivations pushing immigrants to risk unauthorized entry into America are varied, but most come with the hope of reuniting with family members already here or to find work that will provide support for their family back home.

The existing immigration system has resulted in a growing number of people in this country in an unauthorized capacity, living in the shadows as they toil in jobs that would otherwise go unfilled. The Catholic Church believes that current immigration laws and policies undermine human dignity, keep families apart and force immigrant communities into isolation.

The Catholic bishops of the United States are strong supporters of comprehensive immigration reform, which includes:

- Broad based legalization (permanent residency) of undocumented residents of the United States
- A family-based immigration system that allows family members to reunite with loved ones in the United States
- A fair employment-based immigration system that provides legal pathways for migrants to come and work in a safe, humane and orderly manner
- Restoration of due process protections for immigrants

State Budget Crisis

According to State Economist Tom Stinson, Minnesota faces a never-before-seen “structural budget deficit” that reaches far into the future. The latest proof of this is reflected in the state’s latest economic forecast. The November Economic Forecast reveals a \$1.2 billion deficit for the current budget biennium (ending June 30, 2011). The forecast for the next biennium (2012-13) projects a \$5.4 billion deficit.

More than a decade of tax rebates and tax cuts paired with an economy unable to yield a sufficient revenue stream have left Minnesota in bad shape.

Shrinking revenues come while the needs of the state are increasing. Investments in several basic programs have not kept up with the needs: public schools, transportation and other public works, early childhood programs, job training, higher education and health care.

Because Catholic Charities values both the individual and the common good, we must ensure that food, shelter, health care and physical safety needs are met. We also must ensure that the state has the resources it needs to meet the social, educational and infrastructure costs necessary to create a healthy state.

Safety net programs for low-income people cannot bear the burden of the current \$1.2 billion deficit. Many programs benefiting low-income individuals and families have been cut in recent years in order to balance the budget.

Legislative Priorities:

- As the state faces this current economic crisis and budget shortfall, adequate revenue must be included as part of the budget solution

Housing and Homelessness

The 2010 session of the Minnesota Legislature will focus on the creation and passage of a bonding bill, which presents unique opportunities for the construction of affordable and supportive housing.

Catholic Charities supports the Minnesota Housing Finance Agency (MHFA) in its advocacy for \$30 million in funding for non-profit bonds. This funding mechanism has allowed MHFA the flexibility to develop new and innovative projects and freed funding streams from the larger capital improvement process. Non-profit bonds also allow non-profits to own as well as manage housing properties.

Additionally, Catholic Charities supports \$10 million in bonding that will go toward the much-needed rehabilitation of public housing throughout the state of Minnesota.

Legislative Priorities:

- Support funding for \$30 million in non-profit bonds for the construction of affordable housing
- Support \$10 million in funding in the Capital Investment bill for renovation of public housing

Child Care

Strong families and quality child care settings prepare our children to be successful in school and in life. By helping low-wage families pay for child care, Minnesota strengthens families and makes it possible for low-wage workers to stay in the workforce. This is the primary way Minnesota ensures that low-income parents can afford to choose structured, quality early childhood programs.

About 30,000 low-income children are in child care with the support of the state's Child Care Assistance Programs (CCAP). As of August 2009 another 7,000 families are on waiting lists. Until 2003, CCAP was a national model, but today thousands of working families cannot use CCAP because of multiple barriers including below-market reimbursement rates and long waiting lists.

Legislative Priorities:

- Maintain current levels of funding for the Child Care Assistance Program
- Maintain current co-pay rates and current eligibility requirements
- Reimbursement rates for child care centers/homes maintained at current levels or modestly increased

Workers and Wages

Working with community partners, Catholic Charities is focusing on two campaigns to help bring hiring equity to publicly funded projects. To truly combat poverty, it is necessary to build wealth in low-income communities through training that leads to jobs that support families. Working with HIRE Minnesota (**H**ealthcare, **I**nfrastructure, and **R**enewable **E**nergy), Catholic Charities wants to create pathways out of poverty in the emerging green jobs sector, as well as on construction crews on state highway, road and bridge projects.

This year's bonding bill will invest up to \$1 billion in public infrastructure. This "jobs bill" can potentially put thousands of Minnesota workers to work. An equitable inclusion of low-income

Minnesotans in the workforce funded by public dollars is important, as is the training that will get new workers into the employment ranks.

HIRE has been working with the Minnesota Department of Transportation to reverse their 17-year failure to meet their own hiring goals on transportation projects for people of color and women. The Department is committed to making real progress on this issue in the coming year, and we will continue working with them on this important anti-poverty campaign.

Government and private industry should also consider an emergency jobs program that would spur new employment opportunities in the state. This kind of investment not only buoys personal finances but also stabilizes communities. Minnesota met great success when it created the Minnesota Emergency Employment Development program (MEED) in 1983. This began as a two-year \$70 million wage subsidy program to create temporary jobs in government and non-profit agencies and permanent jobs in the private sector.

Legislative Priorities:

- Include hiring equity language in the bonding bill that includes the economically disadvantaged
- Pass policy language to ensure that the Department of Transportation meets its previously established hiring goals of people of color and women on public projects
- Invest in an emergency jobs program

Protection for Low-income Consumers

People living in poverty seldom use traditional banking institutions because their financial situation makes savings accounts and even checking services unnecessary. Frequently, they depend on so-called “payday lending” institutions for loans to pay for home and auto repairs, health care bills and other financial needs.

A small number of lenders make the vast majority of payday loans in Minnesota. In 2008, 32 licensed companies made 231,000 loans to Minnesota consumers. While allowable interest rates for payday loans are already exorbitantly high (up to 390% APR), some companies have discovered a loophole in the law that permits them to charge significantly higher rates for exactly the same loan, raising interest rates as high as 2,145% APR.

In collaboration with other economic justice advocacy organizations, Catholic Charities will advocate for policies that close the loophole and require that all payday lenders follow the rate structure that the Legislature established for payday loans under the 1995 Consumer Small Loan Act.

Legislative Priorities:

- Support the passage of reform legislation that limits the interest rates, fees and penalties at payday lending institutions

Criminal Justice System Reform

Ex-offenders who are released from incarceration at the completion of their criminal sentences face a lifetime of collateral sanctions – unintended social and community punishments that continue long after their sentences have been completed.

Nowhere is this more challenging than in the area of juvenile offenders, who frequently face impediments toward education, housing and employment long after transition back into society. It is important that we reform the ways in which juvenile records are controlled and accessed to maximize the ability of juveniles to reach their full potential as adults.

Legislative Direction:

- Make felony-level charges for 16-17 year olds public data only if the final adjudication is felony level, rather than a plea agreement
- Restrict the public inquiry into and use of juvenile records

Ending Poverty by 2020

In January 2009, after lengthy deliberations, the Legislative Commission to End Poverty by 2020 issued its final report. One of the cornerstones of the report includes a recommendation to help low-income Minnesotans accumulate and retain assets and increase their financial literacy.

This cornerstone, the Ladder Out of Poverty Task Force, would be led by elected officials and executive branch representatives. Its task would be to increase opportunities for low-income families to build wealth, expand the utilization of the Family Assets for Independence in Minnesota (FAIM), reduce or eliminate predatory financial practices in Minnesota and provide financial literacy information to certain low-income families.

A second recommendation is that Minnesota develops a tool that will measure the impact on poverty that emerging legislation might have. These statements would be a means for the legislature to determine whether proposed legislation would increase, decrease or maintain the number of Minnesotans living in poverty. It would give policymakers information about the effectiveness of competing proposals and assist them in making informed choices.

As a start, it is recommended that policymakers call for poverty impact statements on a limited number of proposed bills in the next couple of years, in order to allow a real and credible methodology to be developed.

Legislative Priorities:

- Pass the Ladders Out of Poverty Task Force legislation
- Pass the Poverty Impact Statement