



2002 Legislative Session Update

From the CDF Minnesota May 2002 Newsletter

As this newsletter goes to print, the Minnesota State Legislature has missed its self-imposed Easter deadline for finishing its work. Legislators are now hoping to come to some resolution soon on a number of issues including balancing the state budget. Earlier this session, with lightning speed, legislators passed a budget balancing plan over Governor Ventura's veto that erased \$1.9 billion out of a \$2.3 billion deficit for the 2002-2003 biennium. The budget reconciliation bill relied heavily on the use of the state's budget reserves and other one-time pots of monies and cut spending annually by \$375 million, largely in state agency budgets.

The budget plan did not include any of the tax increases proposed by the Governor and directs the state to ignore inflationary increases in state programs in the next biennium (2004-2005), thus eliminating on paper \$1.1 billion of the state's \$3.2 billion deficit in the next biennium. This unprecedented budget plan was made possible when both the Senate and House leaders decided to negotiate an agreement between themselves, leaving Governor Ventura out of the process.

What does this mean for issues affecting children and families? In the short-term, the pain from possible budget cuts has been minimized, but the long-term picture is very grim. Legislative leaders are going to have to raise taxes or severely cut spending to bring the budget into balance in the next budget cycle. The budget deal reached by legislators represents a shortsighted arrangement that both the citizens of Minnesota and their lawmakers may come to regret.

The Remaining \$439 Million

As the legislature begins to deal with the remaining \$439 million budget deficit, the tensions between taxation and spending cuts are emerging. About 85% of the House plan to balance the budget comes from cutting critical programs in health and human services that deal with our most vulnerable children and families. The House plan repeals the "Cover All Kids" children's health insurance expansion that was passed into law last year; eliminates General Assistance Medical Care (GAMC) and folds it into Minnesota Care; limits families and individuals access to Emergency Assistance, General Assistance and Emergency General Assistance; and cuts \$325 million out of the tobacco endowment that provides programming to reduce youth smoking. The current Senate plan includes a 60¢ increase in the cigarette tax, along with a number of accounting gimmicks to tackle the remaining \$439 budget deficit in 2002-2003 and help reduce the projected deficit in 2004-2005. Both plans are being negotiated by House and Senate leaders as they work their way towards a global agreement that will allow them to adjourn and finish up their work.

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One Quarter of the Minnesota Act to Leave No Child Behind Passes

In February, CDF-MN along with Senator Becky Lourey and Representative Betty Folliard introduced the Minnesota Act to Leave No Child Behind (HF 2912/SF 2732). The Minnesota Act to Leave No Child Behind encourages investment by the state in long-term solutions to keep children healthy, safe, and well educated. The Act, which would be funded by a full \$1 increase in the state's cigarette tax, ensures that all Minnesota children have a healthy start, a head start, a safe start, and a fair start in life.

Three of the policy items in the bill have been enacted into law. The items are: holding health plans accountable for providing health services to poor children and teens, making it easier for low-income families to afford premiums in Minnesota Care, and making it easier for low-income families to enroll into the At-Home Infant Care program, which pays low income parents to stay at home with their babies.

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