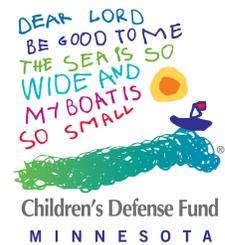


Children's Defense Fund – Minnesota

Minnesota Legislature's Proposed Health and Human Services Budget



There are more than 37 proposals in the Legislature's proposed Health and Human Services (HHS) budget that will directly impact children and their families, and ultimately our State. Many children and families will be severely impacted by multiple cuts, increasing the likelihood for deeper, longer-term and costlier service needs in the future. Not only will these short-sighted budgetary decisions hurt our State's youngest citizens, but they also will ultimately impair Minnesota's ability to prosper.

We must not balance our State's budget by jeopardizing our children's current and future health and well-being through cuts to programs and services that enhance their health and well-being. Instead, we must invest in these critical programs and services today to ensure a bright and successful Minnesota tomorrow.

The following areas of cuts will have a significant impact on our children, their families and our State:

Prevention and Intervention Services

Cutting \$36.1 million in funding for prevention and intervention services will affect an estimated 86,000 fragile children and families each year who need additional help and support. A large number of these children are at risk of or have already been neglected or abused, or are uninsured or underinsured and are receiving mental health services. Children who experience abuse and neglect are at high risk for delays in cognitive capacity, language development and academic achievement. If systems and other supports do not timely and adequately respond to the needs of these children, they will likely suffer lifelong obstacles in terms of mental health, chronic health conditions, and reduced earning ability.

Research demonstrates that mental health problems affect one in five children. Prevention, screening, early intervention, and treatment are critical to the needs of children struggling with, or at risk for, mental health issues. Access to comprehensive assessments and evidence-based treatments that reflect children's characteristics, circumstances and culture will result in better outcomes and reduce health care disparities among children.

- **51,000 children per year** will be impacted by the \$22 million cut to Children and Community Services Act (CCSA) grants
- **27,300 children and parents per year** will be impacted by the \$7 million cut in federal funding to Home Visiting grants
- **1,900 families per year** will be impacted by the \$786,000 cut to Child Welfare Reform and Early Intervention grants
- **1,400 children per year** will be impacted by the \$1.5 million cut to Indian Child Welfare Act Transfer to R21 grants
- **4,500 children per year** will be impacted by the \$3.8 million cut to Children's Mental Health Screening grants
- **175 children per year** will be impacted by the \$300,000 cut to Children's Mental Health Cultural Competence Provider Capacity grants

- *Thousands of adults, including many parents, will be impacted by the \$14 million cut to Adult Mental Health grants*
- In addition to these cuts to prevention and intervention services, the Legislature failed to provide alternative services for 3,000 children and adults who will become ineligible for Personal Care Attendant (PCA) services on July 1, 2011

Family Support

Failing to sufficiently increase base funding for Adoption and Relative Custody Assistance programs, two programs critical to securing permanent homes for children with special needs, may decrease the number of children with special needs able to become part of a family. Safe, permanent, nurturing families are crucial for a child's healthy development. Adoptive parents and legal custodians often assume parenting responsibilities for children who have experienced neglect, physical abuse or sexual abuse. Many of these children have additional medical issues and often require psychological, medical, educational and social services. Without financial and other supports, parents adopting these children would have difficulty meeting their special needs.

- **578 children per year** will be impacted by \$9.5 million in insufficient base funding for Adoption Assistance and Relative Custody Assistance grants

Work Supports

Reducing economic assistance for families with a disabled parent, cutting county funding for job-related services and emergency assistance, and placing additional requirements on parents pursuing training and education will place greater hardships on families already struggling to provide their families with basic needs. Strong families are critical to creating a nurturing and stable environment for children's healthy development. Economic stability is critical to the overall stability of a family. Reducing MFIP assistance to families with a disabled parent(s) will increase the economic strains with which parents are already struggling, thereby causing children to suffer. One-third of children in SSI-households are living with a serious health condition, such as cystic fibrosis, ADHD, cancer or epilepsy. Cutting funds counties use to provide job counseling services for parents receiving MFIP assistance, emergency assistance for families on the edge of homelessness, Minnesota's share of financial worker salaries, and staff and administrative costs for the Diversionary Work Program will have a ripple effect. Not only will these cuts affect Minnesota parents who are diligently working to move themselves and their families out of poverty, but these cuts will also impact job counselors and other staff who are helping Minnesota families achieve economic success. Additionally, the creation of a policy requiring parents to work at least ten hours per week while in post-secondary education and training programs would be very challenging for parents. Most of the jobs available to parents receiving MFIP assistance are jobs with unpredictable and inconsistent hours, thereby making it difficult to both arrange child care and build the consistent schedule necessary to succeed in training and school.

- **6,400 families per year** will be impacted by the MFIP Supplemental Security Income (SSI) penalty (projected short-term savings of \$4.1 million)
- *40,000 families per month receive MFIP assistance. Many of these families will be impacted by the \$20 million cut to the MFIP Consolidated Fund*
- **800 families per month** will be impacted by the policy requiring parents receiving MFIP assistance who are pursuing training and education to also be working at least ten hours per week (projected short-term savings of \$315,000)

Reducing child care assistance for working, low-income families will place greater hardships on families already struggling to provide their families with basic needs. Likewise, we know that child care can have a tremendous impact on a child's development, especially children in low-income families. Parents cannot work if they do not have quality, affordable child care for their children. Reducing child care reimbursement rates, cutting child care grants, taking funds that could be reallocated within the Basic Sliding Fee Child Care Assistance program, and modifying Child Care Assistance Program (CCAP) policies will impact thousands of working families and their children. Additionally, cutting child care rates will likely make it harder for working Minnesotans to find quality child care for their children.

- **18,000 families per year** will be impacted by the 5% reimbursement rate cut for all types of child care providers (projected short-term savings of \$13.7 million)
- **4,000 families per year** will be impacted by the 16% reimbursement rate cut for legally, non-licensed child care providers (projected short-term savings of \$6.3 million)
- **19 families per month** will be impacted by the program change limiting to 60 days the time an adult family member who is not in an authorized work or education activity may be temporarily absent from the home
- **170 families per month** will be impacted by the program change prohibiting CCAP payments for child care provided by someone who resides in the same residence as the child
- **900 families per month** will be impacted by the program change restricting CCAP payments for child care provided in the child's home
- **155 families per month** will be impacted by the program change eliminating payments to providers for activity fees
- *19,000 families, including 34,000 children, receive child care assistance each month. Program changes eliminating absent day payments for legally, non-licensed child care providers, and limiting absent day payments to ten days per calendar year for licensed providers and license-exempt centers could impact any family receiving assistance could impact any family receiving assistance*
- **810 families per month** will be impacted by program changes prohibiting payments that exceed daily and weekly maximum rates for centers and licensed family providers, and limiting payments to legally, non-licensed providers to no more than 50 hours per week
- **3,500 families per month** will be impacted by the program change increasing registration requirements for legally, non-licensed providers to include First Aid and CPR and additional training every two years. It is important to note that grants to child care resource and referral agencies are simultaneously being cut by \$1.5 million. Among other important services, these grants fund training opportunities for child care providers.
- **425 children per year** will be impacted by the \$170,000 cut to Migrant Child Care grants
- **500 families per year** will be impacted by reallocating \$5 million in unspent Basic Sliding Fee Child Care Assistance funds

Economic Support

Eliminating monthly income support for unaccompanied homeless youth will result in even greater hardships for 17 and 18 year olds living in poverty. These are youth who are living in crisis, struggling to make it through the day. As many as 1,800 youth are homeless on any given night in Minnesota. Over 70 percent of homeless youth have had a prior out-of-home placement; and 63 percent of homeless youth cannot live with their families because of

abuse or severe conflict. The General Assistance (GA) program provides \$203 per month in income support to Minnesotans, including unaccompanied homeless youth, who cannot work because of illness or disability. This monthly assistance is often a recipient's sole income and is critical for daily living costs, including toiletries and bus fare.

- **68 youth per year**, ages 17 and 18, will be impacted by the elimination of GA (20,000 Minnesotans will be impacted by the \$38.2 million elimination of GA)

Health Care

Moving low-income Minnesotans into the private insurance market will result in the loss of health care coverage for thousands of Minnesotans, including more than 6,000 parents each month. Children whose parents have health insurance have better health outcomes because their parents take them to the doctor more frequently, and are more likely to establish a medical home for their family. Related to healthy outcomes for children, repealing many of the health care policies awaiting federal approval in Minnesota's PMAP+ waiver will likely result in the loss of access to affordable health care for many Minnesota children. This is the wrong direction for Minnesota.

- **6,200 parents per month** will be impacted by moving MinnesotaCare parents above 133% FPG into the Healthy Minnesota Defined Contribution Program (projected short-term savings of \$36.3 million)
- **13,500 children per month** will be impacted by repealing the MA Bridge program (projected short-term savings of \$23 million)
- **1,900 families per month** will be impacted by repealing the MinnesotaCare premium grace month and renewal rolling month (projected short-term savings of \$6.4 million)
- **4,400 children per month** will be impacted by repealing the policy exempting children from the MinnesotaCare income limit (projected short-term savings of \$6.4 million)
- **250 children per month** will be impacted by repealing automatic MinnesotaCare eligibility for children who are exiting foster care (projected short-term savings of \$347,000)
- **670 children per month** will be impacted by changing MinnesotaCare eligibility reviews from 12 months to 6 months
- **1,700 children per month** will be impacted by eliminating automatic renewal for MinnesotaCare children (projected short-term savings of \$2.4 million)

This summary illustrates the overwhelming and devastating impact the proposed HHS budget could have on children, their families, and our State. We must stand for children, and advocate for a comprehensive budget solution that fully funds: intervention and prevention services for children and families experiencing, or who are at-risk of experiencing, abuse, neglect, poverty, disability, dependency, or chronic health conditions; supports for families assuming custody of a child with special needs; income support for homeless youth; work supports, including child care, for families working to move out of poverty; and health care. We can achieve a State budget that invests in critical programs and services for children, and ensures the betterment of Minnesota.

Note on Education Funding

The Legislature's proposed **Education budget** does not increase funding for Head Start, Early Childhood Family Education or School Readiness. Their proposal does not include funding for the statewide expansion of Minnesota's Quality Rating and Improvement System (QRIS) or for optional all-day kindergarten for at-risk students.

The Legislature's proposed **Higher Education budget** reduces funding for higher education by 14 percent (\$411 million). This cut brings Minnesota's investments in higher education to 2000-2001 funding levels, even though our educational institutions are serving tens of thousands of more students than they did ten years ago. The Legislature cuts funding to the University of Minnesota by 19 percent (\$244 million), and to Minnesota State Colleges and Universities by 6 percent (\$76 million). Additionally, the Legislature eliminates the **Minnesota Achieve Scholarship Program**; reduces funding for the **American Indian Scholarship Program**; reduces funding for State-funded **work study**; and phases out General Fund support for the **Minnesota College Savings Program**.