

June 2nd, 2009

The economic crisis and the \$6.4 billion budget shortfall made the 2009 Legislative Session particularly challenging. SEIU articulated solutions to strengthen Minnesota that focus on jobs and fair wages, healthcare reform and investment in our children and working families.

SEIU, along with our partners, successfully advocated for the Cover All Kids bill, which will expand access to health care for 22,000 uninsured Minnesota children, and create a public option for health care for many more.

As a part of the Invest in Minnesota coalition, SEIU worked for raising revenue fairly. With such a deep budget shortfall, Minnesota needs a balanced solution including the one-time federal stimulus dollars, cuts and new revenue. Minnesota's tax system unfairly hits those earning the least the hardest. SEIU lobbied for fair and adequate tax increases based on ability to pay.

While Legislative leaders saw the need for additional revenue, Governor Pawlenty refused to compromise. A few days before the end of session, he announced he would “unallot”, or redo, the budget legislators sent to his desk- with \$1 billion in even deeper cuts.

The first significant cut Governor Pawlenty made was a line-item veto of the General Assistance MinnCare program, which provides basic healthcare for Minnesotans who earn less than \$8,000 a year. Many are vets, disabled, struggle with chemical dependence, or other mental illnesses. The veto takes effect July 1, 2010, but hospitals are already making cuts to programs and jobs to address this major loss of revenue. Hospitals estimate that they will bear the entire \$381 million burden of the cuts in the form of uncompensated care, because GAMC patients will continue to get sick, and will seek care in the emergency room.

The House Democrats attempted to override the Governor's veto, but House Republicans failed to undo this cruel decision, and allowed the opportunity to override this line-item veto slip by. They joined Pawlenty in balancing the budget on the backs of poor and middle class Minnesotans when they again failed to support a reasonable revenue increase that included a modest tax increase on joint filers earning over \$250,000. For example, a family earning over \$300,000 a year- would have paid an additional \$109. Instead, 30,000 Minnesotans will lose basic healthcare when they need it most.

The timing of these cuts to healthcare, (more are expected), is particularly devastating. Not only will the cuts limit or eliminate critical services for the increasing number of Minnesotans impacted by the economic crisis, it will result in the loss of jobs. SEIU will continue to advocate for solutions to the economic crisis that create and protect jobs, reform healthcare and invest in our future.

As part of the Seniors and Workers Coalition, SEIU advocated to minimize cuts to nursing homes. While nursing homes were not cut at the end of session, there still remains a projected \$2.7 billion deficit that the Governor will address with unallotment. He has not yet made his intentions toward long term care known.

More information about unallotment can be found in the following report by House Research:
<http://www.house.leg.state.mn.us/hrd/pubs/unallot.pdf>

