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Coalition of 107 Minnesota Organizations Urge Sens. Dayton and Coleman to Protect State's Families, Children, and Vulnerable Populations

Senate-House Budget Conference Committee to Begin this Week; Key Decisions on the Line for Minnesota

(St. Paul) -- A diverse group of over 100 Minnesota organizations from across the state joined together today to urge Congressional leaders to protect vital programs from budget cuts as the Senate-House budget conference committee negotiations get underway. In a letter to Sens. Mark Dayton (D-Minn.) and Norm Coleman (R-Minn.), the coalition urged the Senators to maintain their positions against cuts to Medicaid (called Medical Assistance in Minnesota), as well as to oppose any cuts to programs for low-income people, such as the Earned Income Tax Credit (EITC), Food Stamps, and the State Children's Health Insurance Program (SCHIP).

The groups also expressed their serious concerns that these cuts are part of budget plans that would not result in deficit reduction, but instead actually increase the size of the deficit because of the expansion of tax cuts for higher income Americans.

"Minnesota could lose \$319 million in Medical Assistance funding, which provides health care for the elderly, persons with disabilities, and low-income families, if the budget passed by the House of Representatives is adopted during the Senate-House negotiations," Nan Madden, Director of the Minnesota Budget Project, said. "On top of that, the House-passed bill would likely lead to significant cuts to the Supplemental Security Income program and child care funding. It could also cut the EITC, the nation's most effective anti-poverty program, which approximately 250,000 Minnesota families received in 2002. And both bills would limit access to Food Stamps. These cuts will push our already strapped state budget to the breaking point and could leave thousands of Minnesota families without the support they need."

In March, both the House and Senate passed separate versions of the fiscal year 2006 federal budget resolution. The House bill would result in \$15 to \$20 billion in cuts over the next five years to Medicaid, up to \$5.3 billion in Food Stamps, and additional cuts to a number of services to low-income families and individuals. These cuts are 10 times larger than those included in the Senate passed bill for mandatory (or "entitlement") programs. The Medicaid cuts were removed from the Senate bill through an amendment that both Sens. Dayton and Coleman supported.

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"While we are extremely pleased with the leadership shown by Senators Coleman and Dayton in supporting an amendment to eliminate cuts in Medicaid funding from the Senate bill, our Senators must hold strong throughout the negotiations and ensure that any final bill does not contain these cuts," Steve Francisco of the Minnesota Budget Project stated. "Simply splitting the difference between the House and Senate budget resolutions will result in millions of dollars of cuts in Minnesota."

In addition to cutting programs that assist the nation's vulnerable populations, both the House and Senate budgets contain significant tax breaks, largely targeted to upper-income Americans. The Senate bill includes \$129 billion in tax cuts over the next five years, while the House bill includes \$106 billion.

"Regrettably, the budget resolutions represent a significant departure from any semblance of a fair and balanced approach to sound budget spending, and tax policy," the coalition stated in today's letter. "Instead, it represents a highly unbalanced approach that would sharply reduce programs for vulnerable, low-income Minnesotans at the same time it offers a new round of large tax cuts that benefit the wealthiest people in America."

The sign on letter was coordinated by the Minnesota Budget Project, an initiative of the Minnesota Council of Nonprofits. The Minnesota Budget Project provides independent research, analysis, and advocacy on budget and tax issues that affect low- and moderate-income Minnesotans.

The full text of letter sent to Sens. Dayton and Coleman and a fact sheet describing the issues at state in the budget negotiations are attached and available at www.mncn.org/bp/

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