

December 22, 2008

Letter to the Minnesota Congressional Delegation:

The Minnesota Council of Nonprofits and the organizations listed below wish to express our support for the inclusion of temporary federal fiscal relief to states in any second economic stimulus package that may be considered by Congress. We support both general fiscal aid to states to reduce cuts to a range of state services and a temporary increase in the federal Medicaid matching rate to mitigate possible additional state cuts that would leave more Minnesotans without health insurance.

The economic slowdown is having a sharp impact across our state. The numbers of Minnesotans visiting local food shelves to feed their families is increasing. Many Minnesotans are having difficulty finding affordable housing. People with disabilities worry about whether state budget cuts will mean the loss of essential social services.

Minnesota is one of 43 states and the District of Columbia that are facing projected budget shortfalls in the current year or next year. Our state is facing a \$426 million shortfall in the current biennium and a projected shortfall of \$4.8 billion (and another \$650 million for inflation) in the next biennium. Against this backdrop, the federal government must step forward to help states mitigate possible cuts in essential services.

Unlike the federal government that can run budget deficits, nearly all of the states, including Minnesota, are constitutionally required to balance their budgets. As the economy has weakened, Minnesota has experienced significant declines in revenue, revenue that is urgently needed to fund vital public services.

In 2003, Congress responded to an economic slowdown by providing fiscal aid to the states. This aid was provided through a temporary increase in the federal Medicaid matching rate and through general aid to the states. Minnesota received \$342 million in state aid that was used in part to avoid cuts in health care coverage for low-income Minnesotans.

Federal aid to states would be an important tool for states facing budget shortfalls, and would help states address those deficits in a way that has the least harmful impact on the economy. The National Governors' Association and the National Conference of State Legislatures also support the inclusion of state fiscal relief as a key component of an economic stimulus package.

As Governor Pawlenty noted in a letter earlier this year to federal leaders from the National Governors' Association, cutting state spending as the economy weakens "will make the current downturn both longer and more severe."

We urge you to work with your colleagues in Congress to support fiscal aid to the states as part of any further economic stimulus package.

Sincerely,

Steve Francisco
Federal Policy Director
Minnesota Council of Nonprofits

On behalf of the Minnesota Council of Nonprofits and the following organizations:

Affirmative Options Coalition, St. Paul	Healing Arts Resources, Therapy & Training,
American Indian OIC, Minneapolis	Healthy Life Coaching, Maple Lake
Amicus, Inc, Minneapolis	Hearthstone of Minnesota, St. Paul
Anna Marie's Alliance, St. Cloud	Heartland Community Action Agency, Willmar
Anrias, Inc., Edina	Helping Hands Outreach to Elders, Holdingford
Arc Greater Twin Cities, St. Paul	Hmong American Partnership, St. Paul
ArtiCulture, Minneapolis	HOME Line, Minneapolis
Assistive Technology of Minnesota, Maple Plain	Home of the Good Shepherd/Rose Center, Saint Paul
Brain Injury Association of Minnesota, Minneapolis	Hope House of St. Croix Valley, Stillwater
Catholic Charities Office for Social Justice, St. Paul	Horizon Homes, Inc., Mankato
Center of Human Environment, Mahanomen	Hot Meals for Shut-Ins, Inc., Fridley
Child Care WORKS, Minneapolis	HSI, Washington County
Churches United in Ministry, Duluth	ICA – Intercongregation Communities Association, Minnetonka
Committee Against Domestic Abuse, Mankato	Immunization Action Coalition, St. Paul
Cornerstone Advocacy Service, Bloomington	Jason P. Wallace Foundation, Minneapolis
Council on Asian-Pacific Minnesotans, St. Paul	Jewish Community Action, St. Paul
Dakota Woodlands, Eagan	Jewish Community Center of St. Paul
Duluth Adult Learning Center, Duluth	Jewish Community Relations Council of Minnesota and the Dakotas, Minneapolis
East Side Neighborhood Services, Minneapolis	Jewish Family & Children's Service, Minneapolis
Elder Circle, Grand Rapids	Jewish Family Service, St. Paul
ElderCare Rights Alliance, Bloomington	JOBS NOW Coalition, St. Paul
Elim Transitional Housing, Inc., Minneapolis	League of Women Voters Minnesota, St. Paul
Faith in Action-Central Goodhue County, Wanamingo	Legal Rights Center, Minneapolis
Families Moving Forward, Minneapolis	Little Sisters of the Poor, St. Paul
Family & Children's Service, Minneapolis	Maplewood
Fargo Moorhead Coalition for Homeless Persons, Inc., Moorhead	Mary T. Inc, Coon Rapids
Fraser, Richfield	Meeker County Emergency Food Shelf, Litchfield
Goodhue County Habitat for Humanity, Red Wing	Metro Meals on Wheels, Minneapolis
Granite Falls Living at Home/Block Nurse Program, Granite Falls	Metropolitan Consortium of Community Developers, Minneapolis
Hastings Family Service, Hastings	Mid-Minnesota Legal Assistance, Minneapolis
	Midwest Health Center for Women, Minneapolis

Midwest Minnesota CDC, Detroit Lakes
Minneapolis Jewish Federation, Minnetonka
Minneapolis Urban League, Minneapolis
Minnesota AIDS Project, Minneapolis
Minnesota Assistance Council for Veterans, St. Paul
Minnesota Coalition for the Homeless, Minneapolis
Minnesota Commission Serving Deaf & Hard of Hearing People, St. Paul
Minnesota Council of Child Caring Agencies, St. Paul
Minnesota Council of Health Plans, St. Paul
Minnesota Federal Housing Action Coalition, Minneapolis
Minnesota Housing Partnership, St. Paul
Minnesota Organization on Adolescent Pregnancy, Prevention and Parenting, St. Paul
Minnesota Social Service Association, St. Paul
Minnesota Tenants Alliance, Minneapolis
Minnesota Workforce Council Association, St. Paul
Missing Children Minnesota, Minneapolis
Mounds View 621 Meals on Wheels, Shoreview
National Alliance on Mental Illness of Minnesota, St. Paul
National Youth Leadership Council, St. Paul
Neighbors, Inc., St. Paul
New Directions Ministries, Minneapolis
Northeast Dinner Bells Meals on Wheels, Minneapolis
Northwest Community Action, Badger
Northwestern Mental Health Center, Crookston
Northwoods Interfaith (NICE), Bemidji
Open Arms of Minnesota, Minneapolis
Parents United for Public Schools, St. Paul
PATH Inc., Minneapolis
Phyllis Wheatley Community Center, Minneapolis
Pillager Family Council, Pillager
Prevent Child Abuse Minnesota, St. Paul
Project for Pride in Living, Minneapolis
RESOURCE, Inc., Minneapolis
Rivers of Hope, Monticello
Roseau County Committee on Aging, Roseau
Safe Haven Shelter for Youth, Shakopee
Saint Anne of Winona, Winona
Saint Paul Area Council of Churches, St. Paul
Shalom Community Alliance, St. Louis Park
Simpson Housing Services, Inc., Minneapolis
Southeast Minneapolis Meals on Wheels, Minneapolis
St. David's Child Development & Family Services, Minnetonka
St. Louis Park Emergency Program, St. Louis Park
Stone Soup Thrift Shop, St. Paul Park

Store to Door, St. Paul
The Arc of Minnesota, St. Paul
Therapeutic Services Agency, Inc., Pine City
Tiny Tots and Little Tykes Preschool & Child Care Center, West St. Paul
Touchstone Mental Health, Minneapolis
Tri-County Action Program, Inc., Waite Park
United Jewish Fund & Council, St. Paul
West 7th Community Center, St. Paul
White Bear Area Senior Program, White Bear Lake
Women's Foundation of Minnesota, Minneapolis