



Testimony – House Jobs & Economic Opportunity Committee
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Good morning, Mr. Chair and Members of the Committee. My name is Christina Macklin, policy analyst with the Minnesota Council of Nonprofits. We are a statewide membership organization representing over 1,500 nonprofits in Minnesota.

Like the others testifying today, we oppose the cuts to child care, housing programs, MFIP cash grants, and services for at-risk youth. However, I would like to focus on the cumulative effect of the many cuts proposed by this committee. We are very concerned about the impact that these budget-balancing decisions will have on the people served by the nonprofits we represent.

It is important to acknowledge that the choices you make to balance the budget in this session are a continuation of cuts that were made in 2003. And the people of Minnesota are just beginning to feel the impact of those decisions in housing programs, in services for at-risk youth, in the rising costs of child care – and in many other areas.

Minnesotans who are working towards self-sufficiency must piece together a complex puzzle of supports to keep their families employed, housed, healthy, clothed, and fed. So, our concern isn't just the \$200 housing penalty in this committee, but it is also the increase in health insurance premiums, the cut in the renter's credit, and rising costs of higher education in other committees.

To that point, I've handed out copies of two documents that attempt to demonstrate the aggregate impact of the different budget proposals.

The first document discusses the impact on families and individuals (www.mncn.org/doc/200607fam.pdf) and the second document focuses on impacts on our children and youth (www.mncn.org/doc/200607child.pdf). We are trying to inform the policy debate by first laying out the context – what is the reality this population faces and what happened to them in the last round of budget cuts. We then discuss the specific budget proposals – both in a narrative and a spreadsheet format. And we will be adding the House proposal shortly.

We hope you will remember that the people of Minnesota are impacted by the decisions made by all of the committees in this body.

So, you may feel that in isolation, maintaining the freeze on child care rates is a manageable sacrifice for a low-income family to make when we are trying to balance the state's budget. But you aren't the only ones making decisions that impact their pocketbook. They may also be seeing a 10% rise in their MinnesotaCare premiums, a drop in their renter's credit, or an increase in their bus fare. And that's in addition to the increases in premiums, co-pays, fees, and other expenses they experienced in the last round of budget cuts.

Since the state first faced budget deficits in the 2002 Legislative Session, the Minnesota Council of Nonprofits has consistently argued for a balanced approach to the state's budget. We have called on decision-makers to use all of the budget balancing tools available: judicious use of reserves and other one-time measures, reducing spending, and raising revenues.

The slow economic recovery from the recession has not made things easy for state policy-makers having to balance the budget, but it also hasn't made it any easier for ordinary Minnesotans who are absorbing the impact of those budget-balancing decisions. Our families, our kids, even our adults without kids, cannot continue to shoulder more and more of the burden.