

Senate outlines budget cuts for health

• Disparities between plans crafted by Pawlenty and legislative bodies raise the specter of last year's vetoes and unallotment.

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Moments after Senate DFLers unveiled their plan Thursday to cut \$114 million from the state budget for health and human services for the rest of the biennium, scores of people who will lose money broke into applause.

"It's what we expected, something we can live with," said Sue Abderholden, executive director of the Minnesota branch of the National Alliance on Mental Illness. "It's so much better than the House or the governor's plan."

With that, the battle lines became clearer in the looming showdown over how to fix Minnesota's nearly \$1 billion budget deficit.

Gov. Tim Pawlenty, who announced his budget two months ago, would cut \$346 million in state spending on a myriad of health and welfare programs. The House, which unveiled its plan earlier this week, would cut \$164 million, and the Senate came in at \$114 million in cuts.

How the House and Senate would balance the overall state budget won't become clear until this and the K-12 spending

bills are passed and the Legislature decides whether to seek tax increases or some other way of generating money.

But already observers are worrying about this spring's budget endgame at the Capitol.

"I'll tell you what really worries me is a repeat of last year," said Anne Henry of the Minnesota Disability Right Center. "Even if the governor signs this bill, what if he vetoes the bills that raise money to pay for it? If we're headed for another unallotment like last year, a lot of Minnesotans are going to be in serious trouble."

Counting on Congress

Both the Legislature and the governor are counting on about \$400 million in federal Medicaid money that Congress is expected to approve later this spring.

In addition, both houses of the Legislature propose expanding Medicaid this year, which would bring in about \$1 billion in federal money through 2013 to help cover medical costs for very poor childless adults, now covered by state General Assistance Medical Care.

Pawlenty generally opposes that because of costs to the state in later years.

The House bill, sponsored by Rep. Tom Huntley, DFL-Duluth, was made public at a hearing Tuesday. A spreadsheet of the Senate's numbers was released Thursday, and the written bill, sponsored by Sen. Linda Berglin, DFL-Minneapolis, is expected Monday.

Both bills would maintain a state-operated system of residential mental health facilities, stopping the Pawlenty administration from continuing to cut \$17 million and laying off 200 workers. Legislators argue the state is acting too quickly.

Both bills also would preserve General Assistance, which pays a cash grant of \$203 a month to 19,000 very poor adults.

The House version was met with strong and often emotional pleas Tuesday from more than 60 advocates representing hospitals, the poor, people with disabilities, nursing homes and others.

Abderholden gave an impassioned description of cuts to mental health services and asked if "the stigma of mental illness persists in this building" — a remark that reduced Rep. Tina Liebling, DFL-Rochester, to tears.

"This is really tough stuff. I appreciate your testimony ... but please do not do the accusation piece," Liebling said. "We're doing the best we can, [but] please do not accuse of not caring."

On Thursday, the Senate version brought sighs of relief from many of the same people. "It's never good to have to cut programs," Berglin said as she introduced the financial outlines of her bill. "But having said that, I think we did a good job in balancing the budget



without doing a lot of harm.”

Room for worry

“There’s a lot to be worried about,” said Patricia Coldwell, a health and human services expert at the Association of Minnesota Counties.

Where the governor would trim about \$16 million from mental health programs this biennium, the House would cut \$22 million and the Senate about \$4 million.

“We’ve had pretty tough years, with some severe cuts for programs that serve people with mental illness and other

disabilities,” Coldwell said.

The Senate and House bills are still moving through committees but could reach floor votes next week. If they pass, a conference committee will reconcile the differences and produce a single bill each body can approve and send to the governor.

“After last year, with the vetoes and unallotment, I think we’re all feeling like hostages for the last three weeks of the session,” Coldwell said. “We want this process to work.”

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