



State Representative **TINA LIEBLING**

HOUSE OF REPRESENTATIVES

LEGISLATIVE UPDATE

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Dear Friends,

We are wrapping up our fifth week of this special session, and with the end of the fiscal year approaching, there is even more pressing need to reach agreement on the remaining parts of the budget.

This year marks the 9th time in 11 years that the legislature has gone into special session. Although democracy always involves disagreement, the process plainly needs reform. Some committees made up of legislators appointed by the leadership are continuing to work on the unresolved budget bills. But the real "action" is the negotiations between the Governor and leaders of the House and Senate. Few legislators are directly involved with this process.

Most legislators are frustrated and so are many members of the public. I don't believe that either side wants government to shut down. In all of the years of special sessions, Minnesota government has NEVER shut down and I am optimistic that an agreement will be reached this year as well.

There is certainly a lot of blame being thrown. The Governor and some Republican legislators keep saying that the DFL Senate is refusing to negotiate. This is simply not true, since the Senate has made three offers without receiving any counter-offer from the Governor. The Governor has rejected the proposals out of hand, sometimes labeling them "profoundly stupid" or "a shutdown offer." I do not think this kind of rhetoric helps anyone.

What we are seeing is the clashing of very different philosophies. What investments are worth making and how should we pay for them? Fundamentally, the question comes down to: What kind of Minnesota we want to live in?

Democrats believe that we should fully fund our kids' education without further reliance on property taxes. Schools have received "flat" funding for the past three years. Last year, the funding to schools was actually cut for the first time in Minnesota's history. Schools all over Minnesota--including Rochester schools-- have been cutting their budgets every year. The Governor recognizes that schools must have more money, but he is not willing to raise the necessary revenue at the state level. Instead, his proposal allows school districts to get more money from property taxes. Some of the increased taxes would have to be approved by voters and some could be imposed without approval.

To educate Minnesota's kids, I believe that a modest income tax increase for families earning a quarter of a million dollars per year would be fair. Most of Minnesota's taxpayers pay about 11% of their income in state and local taxes,



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but our top 5% of earners pay only about 9%. The top 1% of earners pays even less. All of us benefit from a great education system in Minnesota, but we can't maintain it without funding. Is it wrong to ask those who can afford more to pay their fair share? So far, the Governor and the Republican House Majority Leader Steve Sviggum have refused to even discuss the issue of tax fairness.

As you may know, at the end of the legislative session the Governor came forward with a proposal to get more revenue from smokers in the form of a "health impact fee" of 75 cents on each pack of cigarettes. This was a positive move. I have long supported an increase in cigarette taxes because more people decide to quit when the costs go up. Perhaps more important, fewer teens start smoking.

However, I also recognize that cigarette taxes fall heaviest on those with the lowest incomes. The Governor's plan uses some of the cigarette money for health care, but most of it would go to education. Democrats want to increase state support for our children's education, but we do not think this should be the responsibility of smokers. The Senate DFL asked the Governor to dedicate 55 cents to health care but he has not responded so far.

I remain optimistic that a compromise will be reached in time and government will not shut down. However, even the threat of a shutdown is detrimental to state agencies--which must take time from their regular work to make contingency plans--and distressing to the public. That is why I, with many of my colleagues, am calling for passage of a "lights on" bill that would continue funding state government at current levels. The bill will be introduced in the House this week. It would allow state agencies to focus on serving the public and citizens to focus on their jobs, families, and vacation plans while negotiations continue.

I, together with many of my colleagues in both parties, am pressing for a reasonable compromise before the end of the fiscal year. State government should continue to operate without disruption even if a compromise cannot be reached in time.

I am pleased to see the Governor's recent announcement

that he has placed transportation projects on his list of essential services. Although the court must decide what is essential, a Governor's request is usually honored. This means that the Highway 52 construction will continue even without a "lights on" bill.

The regular session was productive. We passed a comprehensive bonding bill, a comprehensive public safety bill, a bill to raise the minimum wage, and many other important bills. This willingness and commitment to work together to find middle ground is still alive and well. Our focus must be on Minnesota's future--healthcare, education, transportation, and economic growth--and not on a "win" for either side.

Out of respect for the citizens of Minnesota I, and many other legislators, are serving without additional compensation during the special session. While I would prefer to be home for the summer, it is still a great privilege to represent you in St. Paul. As always, I appreciate your calls, e-mails, visits, and letters.

Warmly,
Tina



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