

January 21, 2010

# CAPITOL UPDATE

State Representative Dave Olin, District 01A



## CONTACT ME:

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## COMMITTEE ASSIGNMENTS

- Agriculture, Rural Economies and Veterans Affairs Finance Division
- Environment and Natural Resources
- Public Safety and Civil Justice
- Public Safety Finance Division, Vice Chair

### Dear Friends and Neighbors,

In this update I am including a viewpoint on bonding and budgeting issues for the upcoming session and a copy of my 2010 Legislative Survey.

Sincerely,

A handwritten signature in blue ink that reads "Dave Olin". The signature is written in a cursive, flowing style.

## Greater Minnesota:

### *Bonding and Budgeting in the 2010 Session*

On February 4th I will be returning to St. Paul prepared to legislate for our district's projects in the upcoming bonding year at the Capitol and to make some difficult decisions to balance our state budget. 2010 will be a short session during which the Legislature will work on state bonding requests and policy issues while finding budget solutions to eliminate this year's \$1.2 billion deficit and a projected larger budget gap in 2012-13.

Restoring long-term fiscal stability to our state budget will require deep cuts, true reforms on spending and revenue, greater investments in small business development along with research and development incentives, and honest solutions that will save money and improve government. During the legislative interim, the chairs and members of various finance committees met to discuss potential budget cuts that could be made without causing permanent harm or eliminating jobs. Also in preparation for the 2010 Legislative Session, the Minnesota House Capital Investment Committee toured the state to

visit bonding and infrastructure projects seeking funding assistance.

Given the state of the economy, we are focusing our efforts on stimulating economic development largely through job creation and investing in our infrastructure. A top priority of the 2010 session will be to pass a comprehensive capital investment bill that will target "shovel-ready" projects that can quickly employ many Minnesotans and businesses. This year's jobs-focused bonding bill will focus on projects of statewide or regional importance in the areas of higher education, transportation and public safety. Greater Minnesota proposed bonding projects are prominent in each of these areas: (Thief River Falls Airport hanger, Lancaster Community Center, and flood mitigation projects in St. Vincent, Roseau, Northland Community Technical College asset preservation, and Thief River Falls/Pennington County & Red Lake Watershed District in County Ditch 1).

Borrowing for bonding projects that will last for many years is quite different

from borrowing proposals to fill a state budget hole. We bond for projects just as our families take out a mortgage to purchase a home and then pay it off over many years, but if we're to borrow to fill a budget gap it would be similar to using a credit card to charge our daily living expenses. The real bottom line about bonding dollars is that they are easy to secure, less expensive to pay back, and one of the best tools that government can use to stimulate the economy.

Overall in 2010, every project considered for inclusion in the capital investment bill will be looked at in terms of the potential to create jobs as soon as possible. Passage of the capital investment bill could create up to 10,000 jobs in Minnesota, many of these in rural regions.

A challenging year is before us all and I am confident that together we will make the best decisions to benefit the interests of our families, communities and state. As your voice at the Capitol, I value your opinion and have developed a survey that will appear in community papers toward the end of January and beginning of February. Please take the opportunity to share your opinions and insights on Minnesota issues and answer the questions in this survey. Your input will help guide decisions I will be making during the 2010 Legislative Session.



## 2010 LEGISLATIVE SURVEY

In the 2010 Legislative Session, state leaders will resolve a \$1.2 billion budget shortfall in the current biennium while also keeping a mindful eye on a projected budget gap of \$6.6 billion anticipated in 2012-13.

Our nonpartisan state forecasters have explained that these projected deficits are the result of an unprecedented revenue problem that is reeling from the biggest biennial drop in Minnesota income tax revenue since World War II. The recession data shows that we're seeing less revenue as a result of too many Minnesotans not working along with a diminishing average work week that is at a historic low and an unprecedented decline in hourly wages.

This is the most serious budget challenge in our state's history. Restoring long-term fiscal stability to our state budget will require deep cuts, true reforms on spending and revenue, greater investments in small business development along with research and development incentives, and honest solutions that will save money and improve government.

My top priority is Minnesota's economic recovery and will direct most of the key decisions I will be making during the 2010 Legislative Session. As your voice at the Capitol, I value your opinion. Please take the opportunity to share your opinions and insights on Minnesota issues and answer the questions in this survey. Your input will help guide decisions I will be making during the 2010 Legislative Session.

Please return your answers to us via mail (593 State Office Building, 100 Rev. Dr. Martin Luther King Jr. Blvd, St. Paul, MN 55155) or fill it out online on Representative Olin's website at: [www.house.mn/01A](http://www.house.mn/01A)

# State Representative Dave Olin • 2010 Legislative Survey

1. There will be no easy decisions on what to cut as we go about the work of balancing our state budget. For example, health and human services and education together take up more than two thirds of the budget.

**Health and Human Services (HHS) is the fastest growing portion of the general fund budget – the majority of the HHS budget goes to low income seniors in long-term care, children and adults with disabilities, and subsidized health insurance for low-income citizens. Only 2 percent of the HHS budget, and less than ½ percent of the overall budget, goes to what would traditionally be called “welfare,” and is at a ten year low.**

**Understanding that cuts will only be part of the budget solution and will have to include all areas of the budget, which of the following balanced solutions would you support to resolve the deficit?**

- Cut programs
- Make greater cuts to health and human services to maintain K-12 spending
- Make greater cuts to K-12 programs to maintain health and human services spending
- Make across-the-board spending cuts for both K-12 programs and health and human services
- Other ideas such as expansion of gambling which would help off-set a small portion of the cuts
- Other (please specify): \_\_\_\_\_

2. The unemployment rate in Minnesota stands at 7.4 percent. Economic recovery legislation can help create jobs in 2010. In your opinion, which initiatives should be implemented to create and retain jobs in Minnesota?

- Invest in infrastructure and public works projects to create more jobs
- Grow well-paying jobs in the most promising emerging technologies
- Provide assistance to small businesses and entrepreneurs to access federal grant programs for technology that will help grow jobs
- Support greater collaboration between academia, research institutions and private industry
- Provide new tax incentives to corporations, both regular & Sub Chapter S corporations
- Do nothing and let the Market resolve itself
- Other (please specify): \_\_\_\_\_

3. In your opinion which options would help make the state’s business climate more competitive? (Check all that apply):

- Provide low-interest loans to for small business entrepreneurs
- Reform state business regulations
- Cut taxes on small businesses
- Provide small business tax credits for long-term investment
- Enhance relationship between small business owners and state resources
- Small businesses don’t need special state rule involvement

4. Do you support providing state funding to build a new Vikings Stadium?

Yes  No  Not sure

5. Please add any additional comments:

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**Thank you for taking this survey!**

To return the questionnaire, simply print this page, fill out the survey and mail to: **Rep. Dave Olin, 593 State Office Building, St. Paul, MN 55155**