



HOW TO REACH
State
Representative
Jeanne
Poppe

Office:

231 State Office Bldg.
St. Paul, MN 55155
(651) 296-4193
Toll Free
1-888-682-3180

Home:

900 Fourth St. NW
Austin, MN 55912
(507) 433-5687

E-Mail:

rep.jeanne.poppe@house.mn

Webpage:

www.house.mn/27B



LEGISLATIVE UPDATE

State Representative **Jeanne Poppe**

Minnesota House of Representatives

Bonding Bill

The House passed a bonding bill last week that could likely create up to 10,000 jobs. Some of the components of the bill include \$244 million for the University of Minnesota and state colleges, \$118 million for environmental projects, \$106 million for prisons, \$115 million for jobs and economic development and \$68.5 million for local roads and bridges.

Almost \$11 million in projects are included for District 27B. A total of \$4 million is included for flood hazard mitigation and flood relief, with money going to Austin, Albert Lea, Freeborn County and Blooming Prairie. The Riverland Community College Science lab will receive \$5.1 million and the Shooting Star Trail is designated for \$450,000.

The failure of the legislature to pass a bonding bill last session put most of these projects behind. The passage of this bill will give us a much needed boost.

February Forecast

This week at the Capitol, the Minnesota Department of Finance released what is known as the February Forecast.

Essentially, the February Forecast is a snapshot of the fiscal health of the state. It takes a look at the state's revenues and spending from the general fund, factors in job growth and state and national Gross Domestic Product numbers to work as a predictor of what is to come for the financial future of the state. The Governor and the Legislature use the biannual budget forecasts as guidelines for creating the state budget.

The forecast showed that revenues have increased and spending has decreased from previous November Forecast estimates, shrinking Minnesota's current budget deficit from \$1.4 billion to \$1.16 billion when adjusted for inflation.

Certainly, the looming deficit remains a formidable challenge. And while the improvement in the forecast is a positive step in the right direction, concerns remain for the future financial stability of the state.

If revenues and spending remain at their current levels, the state is project-

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ed to face yet another \$1.3 billion budget deficit for the fiscal years 2008-09. This troubling news for the next biennium is largely the result of the trend of balancing the state budget with the use of revenue shifts and use of one-time sources (an example would be last biennium's use of the state's tobacco endowment funds). This fiscally irresponsible practice does nothing to address the lack of structural balance in the state budget, and the cycle of deficits and cuts continue.

Even more concerning for the long-term future of the state, job growth continues to lag behind the national average. Although reports released this week show that job growth exceeded previous estimates for 2004, the Department of Employee and Economic Development indicates the state lost 5,600 jobs in January, essentially the same number lost as were created in December. With future revenue estimates based on the creation of 3,000 new jobs a month, we are already falling behind.

My colleagues and I remain concerned with the continuing cycle of budget deficits and resulting cuts to our schools, nursing homes and healthcare services for working Minnesotans. We believe the Enron-like budget shifts must stop. We also believe that the state must end the practice of shifting the burden of balancing the state budget off to local property taxpayers.

Education Day

Last Monday marked Education Day on the Hill. In an unprecedented show of support for our public school students and classrooms, over 6,000 thousand parents, students, educators and school board members gathered on the mall in front of the Capitol to let state leaders know that the state's number one priority should be investments in the future of this state—our children. I was able to meet with several area educators who expressed their serious concerns about the fiscal health of their schools.

For the remainder of this legislative session, most of state leaders' attention will be focused on a plan to balance the state budget. The result will have a lasting impact on the state's future economic health and the quality of life we enjoy. As always, I would like to hear from you. Please feel free to contact me with your thoughts and priorities regarding the state budget.

**Please feel free to call or write if you have ideas or concerns
you want to share about state or local issues.**

**I can be reached by phone at:
1-888-682-3180 or 1-651-296-4193**

**by mail at
231 State Office Building
100 Martin Luther King Blvd.**

**St. Paul, MN 55155
via e-mail at rep.jeanne.poppe@house.mn.**

**House Public Information
175 State Office Building
St. Paul, MN 55155
651-296-2146**



**Senate Public Information:
231 State Capitol
St. Paul, MN 55155
651-296-0504**