Dear Friends and Neighbors,

The 2009 Legislative Session is well underway and we are mindful of the singular task before us – balancing our books on a multi-billion dollar budget shortfall over the next several months. We are facing challenging budget negotiations that will require legislative leaders to reach across the aisle and help each other find solutions to move Minnesota toward a more stable and prosperous economy. Both short-term and long-term solutions for economic recovery will likely direct most key discussions and decisions made in the 2009 Legislative Session. Everything will be put on the table for consideration as we begin to make our way through the challenging days before us. I will keep you informed as we proceed through this session with E-Updates and bi-weekly columns.

In this update I’ve included some information on the budget and upcoming town hall meetings, the first bill signed into law this session, the Minnesota House of Representatives’ Budget Solutions Comment Page, the Budget Trends Study Commission, and some important dates for the 2009 Legislative Session.

Sincerely,

Paul Rosenthal
State Representative, District 41B

Important dates to keep in mind as the 2009 Legislative Session proceeds:

- In the last week of February, an updated state economic forecast on the budget shortfall will provide legislators with information that will be used in our final budget bills during March to mid-May.
- On May 18, the Legislature will adjourn to meet our constitutional deadline. We will provide a final budget for the governor’s signature.
- If a budget agreement is not reached, the current two-year budget will expire on July 1 and the next probable step will involve a special session to reach a budget resolution that will work for lawmakers and Minnesotans.
Budget Discussion
In January the Governor outlined his budget proposal and my hope is this will be a starting point for budget discussions. Folks need to come to the table and stay at the table until we balance our budget and set a long-term strategy to ensure Minnesota’s future prosperity.

Economic recovery is at the top of our agenda for Minnesota. It is important to keep all options available, including working closely with our federal partners to maximize any recovery effort. The American Recovery and Revitalization Act is a vital part of our short-term recovery. But we will also focus on long-term recovery efforts in this budget.

In the coming weeks, the Minnesota House of Representatives and Senate will be holding hearings across our state to hear from Minnesotans on Governor Pawlenty’s budget recommendations. You can access the schedule of town hall meetings and sign up to speak at a meeting on the House website: www.house.mn/budgettownhallmeetings.asp

State Lawmakers to Host Hearing on the Economy
Please join me and other Edina and Bloomington state legislators (State Senator Geoff Michel and State Representative Keith Downey) at an open forum at Edina City Hall on Friday, February 20th from 10:00 a.m. – 12:00 noon. We are hosting this public hearing to discuss the state of the economy and ask western suburban businesses what the state can do to provide immediate help to job creators.

Minnesota House of Representatives’ Budget Solutions Comment Page
I encourage all of you to participate in helping find solutions to the challenges before us. The Minnesota House of Representatives has created a Budget Solutions Comment Page on its website www.house.mn to give Minnesotans an easy and direct way to communicate their ideas with state leaders as they work to eliminate a projected budget deficit of more than $5 billion. Several hundred ideas have already been received. These ideas will be forwarded to committee chairs, and many will be considered in committees and added to bills that will be introduced on the House floor. Budget solutions will also be accepted by mail or phone: Minnesota Budget Solutions, Minnesota House of Representatives, 470 State Office Building, 100 Rev. Dr. Martin Luther King Jr. Blvd., St. Paul, MN 55155, 800-685-8907.

Budget Trends Study Commission
In 2007, legislation was passed creating the Budget Trends Study Commission to study the impact of Minnesota’s changing demographic trends and their impact on revenues and expenditures in the state budget. This week the Commission released its findings and recommendations, reaffirming several public finance principles of sound budgeting.

Key findings from the Commission include: establishing a long-range planning function in state government; minimizing tax exemptions, deductions and credits; increasing the budget reserve to $2.1 billion; and incorporating inflation in the budget forecast.

The Commission also outlined 14 key findings on which their recommendations were based. Several of the findings highlight the significant impact that the ageing of Minnesota’s population will have on state expenditures, revenues, economic growth, and budget priorities. The findings also address revenue volatility. The Commission found that reducing volatility would require a dramatic reweighting of tax revenue sources and a radical change in tax rates. To view the recommendations in more detail, please visit The Minnesota Management & Budget site at (www.mmb.state.mn.us).

First Bill Signed Into Law Extends Unemployment Benefits
I voted for the Extension of Unemployment Benefits Bill (House File 4) that legislative leaders passed on the House floor, 117 to 11 votes. The bill passed the Senate and received the Governor’s signature within twenty-four hours.

Three thousand people will be eligible for extended unemployment benefits and every week after that an additional 150 people who are falling off their unemployment benefits will become eligible again for this extension. This is a good bill intended to help tied families over in these tough times. This isn’t a paycheck; it’s a safety for many Minnesota families.

Now, unemployment benefits will be extended, if they’re needed and qualified, into June 2010.