



Minnesota State Senate

NEWS RELEASE

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Senate plan to focus on fairness and saving jobs

Senate leaders today introduced their plan to fix the state's \$6.4 billion budget deficit. The plan includes 7 percent, across-the-board cuts to state spending and is balanced through 2013. The balance is primarily achieved by the \$5.1 billion in cuts over the next four years. Senate Majority Leader Larry Pogemiller, DFL-Minneapolis, characterized the proposal as an "umbrella" for the committees to work under as they fashion their budgets and noted that not all federal recovery dollars are taken into account in the targets.

"The governor's initial budget does not fully address the problems we face; its one-time solutions mask the extent of our challenges," said Senate Majority Leader Pogemiller. "This proposal represents shared sacrifices, is as fair as possible to the people that will be affected by the cuts, honest to taxpayers, and balanced in the long-term. Minnesotans understand the severity of the economic downturn, and expect the Legislature to accept the responsibility of an honest, realistic approach."

"Members are listening to people in every corner of the state and the priorities and principles they shared with us are reflected in our budget targets," said Assistant Senate Majority Leader Tarryl Clark, DFL-St. Cloud. "They told us everyone should have to share in the pain and this is the wrong time to be cutting jobs. It's a matter of fundamental fairness and common sense."

Highlights of the Senate targets include:

- \$1 billion more in General Fund cuts in 2010-2011 than proposed by the governor.
- Fiscally responsible by being structurally balanced through 2013.
- Protects local police, fire, and public safety.
- Keeps Minnesota's promise of an affordable higher education.
- Doesn't raid the Health Care Access Fund (HCAF), and helps preserve health care coverage for working Minnesotans.
- Keeps us on the path to health care reform, which will result in significant savings in the future.
- Protects current jobs and lays the groundwork for future prosperity.

The governor's budget would leave the state over \$2.5 billion in deficit after four years, simply passing on the responsibility to fix the budget to others, according to Sen. Dick Cohen, DFL-St. Paul, Senate Finance Committee chair.

"It's extremely important we make the tough decisions to stop bouncing from one deficit to the next, even if the governor hasn't," said Sen. Cohen. "The governor's first budget didn't balance and we hope his supplemental budget will reflect the law he recently signed to balance through 2013. The strategy we're putting forward gives us a lasting roadmap to position our state on the road to recovery."

In addition to cuts, the plan calls for \$2 billion in new revenue in 2010-2011 to help alleviate the burden on struggling Minnesotans. Senate leaders did not specify streams of revenue; however, they indicated that they were hopeful that the governor would provide workable revenue ideas in his supplemental budget.

Targets

(dollars in millions)

	FY 10-11	% Cut	FY 12-13	% Cut
Senate Finance Division				
E-12 Education	\$(973)	-7%	\$(1,005)	-7%
Higher Education	\$(221)	-7%	\$(221)	-7%
Health & Human Services	\$(719)	-7%	\$(938)	-7%
Agriculture	\$(12)	-7%	\$(12)	-7%
Environment, Energy, Natural Res.	\$(24)	-7%	\$(25)	-7%
Economic Development	\$(22)	-7%	\$(22)	-7%
Transportation	\$(15)	-7%	\$(15)	-7%
Public Safety	\$(78)	-7%	\$(79)	-7%
Judiciary	\$(53)	-7%	\$(53)	-7%
State Government	\$(44)	-7%	\$(44)	-7%
Tax Aids & Credits	\$(240)	-7%	\$(252)	-7%
TOTAL	\$(2,401)		\$(2,666)	