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Our view: Gimmicks cast cloud on budget built for hard time

Times Editorial Board

Of the many and still-emerging numbers in Gov. Tim Pawlenty's state budget proposal, one statistic speaks volumes about the challenging time facing Minnesota.

Pawlenty's two-year plan is 2.2 percent smaller than the current plan.

That's right. In an era when government budgets all too often *increase* even when they are labeled "limited" and "lean," this actually creates a smaller state spending plan than exists now.

It's been more than 20 years since a state budget did that. And it shows that there will be pain felt statewide as legislators and the governor craft a final plan.

Especially in hard times, government cannot and should not be all things to all people. It must rank public priorities and find the resources to fund them to reasonable levels. As legislators and Pawlenty attempt to do that, we offer these points.

In failing to provide substantial structural changes to the state's budget process, Pawlenty leans too heavily (again) on cost shifts and gimmicks.

Tops on the list in this plan is delaying \$1.3 billion in state payments to schools until the next fiscal year. A close second is the idea of selling bonds tied to the state's annual tobacco settlement funds.

Regarding school aid, that might balance the state books on paper, but it does so only in the short term and it forces school districts to spend tax dollars on borrowing money until the state checks arrive.

Just like the governor's sweeping cuts to Local Government Aid and amid echoes of his 2003 solution, this strategy amounts to the state really only passing its buck down to other levels.

The only way to make such moves close to fair is to invoke concepts such as lessening state mandates on these jurisdictions or at least acknowledging the state is only serving itself, not the taxpayers who fund both it and those other jurisdictions.

As for the tobacco bonds, that idea is so far removed from spirit of the settlement it should be the last resort. And, yes, that includes after taxes have been raised.

Speaking of taxes, we reiterate that the state's fiscal situation is so fragile now that it simply cannot afford this year to cut business taxes. As we noted last week, that's a move to be made in better times — and only with substantial evidence it will ultimately help state coffers more than it hurts them.

Finally, the official release of Pawlenty's budget plan makes the DFL-led Legislature responsible for the next big move in this debate. We suggest to DFL leaders:

For every criticism of Pawlenty's plan, please provide your solution.

Drop the plan to travel the state seeking feedback on the governor's proposal. Such efforts accomplish nothing because they build no firm consensus. Not to mention, constituents can share their opinions in dozens of more efficient and less political ways.

And one more point to both parties: Complete this debate and seal the budget deal without going into special session. All Minnesotans know fiscal pain is inevitable in the next few years. Don't waste more public resources playing political games.
