

From the Legislature: State aid has a purpose and a place

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By State Rep. Kent Eken, DFL-Twin Valley
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Twin Valley, Minn. -

Our ability to maintain essential services like police, fire, education and health in Minnesota is being seriously undermined by an era of short-sighted budgeting practices used to address our state's fiscal imbalances by shifting the problem to local governments through cuts in state aid. While this is clearly a time to exercise fiscal discipline, we should not turn, once again, to local governments and local property taxpayers to solve our budget problems.

Minnesota's state aid system has a purpose and a place in our state-local fiscal relationship. Every two years the State of Minnesota distributes about \$3 billion dollars (less than 10 percent of the state's general fund budget) to cities and counties where the funds are used by local governments to pay for state mandates, equalize efforts to generate revenue, and provide adequate property tax relief.

Too often under the current administration, solutions to our state budget crunches start with squeezing aid appropriations. Local Government Aid (LGA) and County Program Aid (CPA) programs are feeling the bite from the most recent cuts that have left rural residents with fewer services and higher property taxes.

Adjusted for inflation, cities have lost almost 45 percent of their LGA and counties are down about 25 percent. Local government aids simply can't absorb another big aid cut (the Governor is proposing to cut significantly more from LGA over the next two-year budget) without significantly increasing property taxes.

I've always felt that we should not be pushing all the responsibilities of the state on to the local units which is what's causing the property tax increases and the cuts from the state have caused property taxes to go through the ceiling which has been especially hard on people in our area of the state. It's the rural communities that end up paying the most and getting the least in return when cuts are made to state aid.

State aid is an integral part of our public finance system and should not be raided every time we need a quick fix to deep budget problems. A sustainable and healthy fiscal policy for Minnesota will require much more long-term planning efforts that are clearly committed to best serving the interests of all Minnesotans.

I encourage constituents to feel free to call or write with any ideas or issues you have on state or local issues. I can be reached by phone at 1-651-296-9918, by mail at 575 State Office Building, 100 Martin Luther King Blvd., St. Paul, MN 55155 or by e-mail at rep.kent.eken@house.mn.

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