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NEWS COLUMN THE DEFICIT GROWS EVER LARGER

By Peggy Scott
State Representative

This week the state economist presented state leaders with the February budget forecast. These forecasts are what lawmakers use to set the budget for the next two-year budget cycle. We have known since November that we were facing a deficit. In November it was a \$5 billion budget deficit, and now it has grown to \$6.3 billion. However, after money from the federal government is factored in the deficit stands at \$4.5 billion.

These tough financial times means our task of balancing the state budget will be extremely difficult. Tough choices will need to be made. We will have to look at the budget priorities and decide where the money needs to be spent. Just as families have to make decisions between priorities (like paying the mortgage, heating, and filling up the gas tank) and wants (like going out to eat, or to the movies).

A good place to start when looking at the budget is to see where the fastest spending increases are taking place. When a single portion of the budget increases by 30% over two years, something is obviously wrong. We should work to roll back the spending increases to what they were two years ago. By doing this we help get the financial house of our state back in order.

Minnesota also needs to be careful when talking about using stimulus money to cover the budget deficit. By simply using one-time money to cover current expenditures leaves no way to pay for long term spending. It's how we got in to this current budget deficit in the first place. Last year the Legislature drained the state checking and savings account to "balance" a budget deficit of \$1 billion. By doing that they didn't fix the problem which gives us the \$4.5 billion deficit we are facing now.

So while we need to look ahead to solving the budget deficit, we need to get a fiscally responsible solution. The process used to reach that solution must be as transparent as possible and must be reached quickly. We should not wait until the 11th hour to fix this problem. We also need to make sure we are doing more than passing the buck on to next year. Let's balance the budget by making some tough choices that will benefit our state in the long term.

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