



Minnesota State Senate

State Senator John Doll

G-9 State Capitol, 75 Rev. Dr. Martin Luther King, Jr. Blvd., St. Paul, MN 55155-1606

E-mail: sen.john.doll@senate.mn

Phone: 651-296-5975

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End of Legislative Session 2010

Dear Neighbors,

Monday the Legislature and Governor Pawlenty reached an agreement that allowed for a completion of our work this session in a timely and orderly fashion. When we started the session in February, we told Minnesotans we'd focus on balancing the budget and growing jobs. I can report today that we balanced a historic budget deficit without raising taxes, passed two jobs bills (which included provisions I sponsored and developed) that will help grow our economy, and we finished our work on the last legislative day needing only a few extra hours to reassemble the paperwork.

This 3½ month session was difficult, yet productive. In the months ahead we will begin to see the results of the significant legislation that was passed into law. A major sticking point did arise though when with just 10 days left in the session the Minnesota Supreme Court ruled that the Governor's unallotment actions were illegal. That decision tripled the size of the state's budget deficit, increasing it to \$3 billion. Rather than pointing fingers and playing the blame game, we rolled up our sleeves and made the tough decisions necessary to balance the budget. We literally worked day and night to produce a bipartisan solution to this budget crisis.

We offered, and the Governor resisted, several options at balancing the budget. None of them were ideal, yet all offered a means to a solution for this budget cycle. Most of the options contained nearly 90% of the Governor's proposed cuts, yet a gap of over \$400 million remained to be resolved and only the Democrats were offering solutions. One option increased the marginal income tax rate on individuals making \$115,000 or more per year to 9.15%. I voted against that option. *(While restoring a 4th tier tax on upper income levels is an option that should and will get consideration as part an overall tax policy overhaul, this option was unsupported by me and many other Democrats. As expected, the Governor vetoed that bill.)*

Although I was willing to pursue further cuts and even consider a Racino at Canterbury, overall political support from both sides of the aisle and the Governor's office was lacking. The Governor remained inflexible and unwilling to accept many important provisions that would significantly help with our continuing structural budget issues and challenges in our healthcare sector, only willing to accept a budget bill that relied heavily on additional shifts and transfers. In the end, the major obstacle to reaching an agreement centered on a plan that would leverage \$1.4 Billion in new federal revenue. This was a bipartisan plan that would have helped the state recapture more of the tax dollars Minnesotans send to Washington (*Minnesota ranks 46th in the amount of tax dollars it gets back from the federal government*) and in the process help protect or create 20,226 Minnesota jobs, \$2.2 billion in business activity, and \$886 million in salaries and wages. Characterized by the Governor as a tacit acceptance of the federal healthcare reform process, this program was actually granted initially under the Bush Administration and last year was recommended and supported by House Republicans. To reach a settlement, this problem was resolved by agreeing to leave the provision as an opt-in for the Governor, which guarantees it will become a major talking point in this year's election campaigns.

On the positive side our budget bill contains no cuts to schools, no cuts to nursing homes, and doesn't increase taxes. It also makes sure our schools get paid back the money the Governor took from them last year. But it is important to be clear; this bill is not a long-term solution to the state's fiscal problems. The Governor has consistently insisted on using shifts and borrowing to push the state's problems into the future and the next biennium budget deficit will be nearly double the size we faced this year.

To soften the impact of those daunting numbers, the majority party in the House and Senate crafted several important bills designed to assist the private sector with job creation and draw investment into our state ranging from direct infrastructure investments to tax incentives that will spur private investment in emerging industries. Taking advantage of historically-low construction costs, the Legislature moved quickly to approve a public infrastructure investment package that will create thousands of jobs across the state. It is important to note that I voted against the size and scope of my party's bill and in this instance agreed with the Governor's move to trim the bill by over \$300 million. A second job-creation bill, which included provisions I developed, utilizes a variety of tax credits, financial incentives and innovative programs designed to spark investment and jobs in start-up companies, construction projects, and local economic-development initiatives. The package, which passed with broad, bipartisan support, has the potential to create up to 10,000 new well-paying jobs in the state. With these measures and the enterprising spirit of Minnesotans I anticipate the economy to continue to march forward toward full recovery.

Some of my direct contributions include an initiative that enables cities and counties to provide revenue bonds to property owners for energy efficiency and renewable energy projects on those properties which would be paid back by the owners through a special assessment on their property tax over a 20 years period. Included in another bill I sponsored is a carefully crafted incentive for a sales tax refund on select capital

investments that will only kick-in when new employment goals and private investment targets are reached. In another bill, I helped design the language on a bill that will increase the jobs among solar energy installers and manufacturers, including an innovator in solar PV headquartered in Bloomington.

Other important legislation passed into law in which I played a substantial role include a state-wide Interlock Ignition measure for convicted drunk drivers; a new statewide physical education standard for our schools that enables school districts to apply for federal grant dollars without a state level investment; a bill establishing a goal that MN have ubiquitous high-speed broadband access by 2015 and remain a top-tier speed provider in the years beyond; a bill that provides the legal authority to enable implementation of pharmaceutical take-back initiatives; a provision that lays the foundation for the construction of a basin-length watershed district governance model to effectively address the mounting challenges facing our great waterways.

In the weeks ahead, look for more information from my office on initiatives underway, constituent events in the district and updates on the impacts of state legislation passed or not-passed this session. As always, I appreciate your feedback, both pro and con.

Sincerely,

A handwritten signature in cursive script, appearing to read 'John Doll', written in dark ink.

John Doll
State Senator
Bloomington, Burnsville, Savage