



Monday May 14, 2018

Dear Members of the Minnesota House of Representatives,

On behalf of Americans for Prosperity activists across Minnesota, I am writing today to highlight concerns about the state's growing levels of debt, which would increase by approximately \$1 billion following passage of HF4404. As an organization, we are very concerned with unsustainable levels of spending and its impacts on taxpayers, as laid out in our "Roadmap to Prosperity" Legislative Agenda released prior to the Session.

Simply put, the current rate of growth in debt is unsustainable and threatening to overburden Minnesota taxpayers. This Legislature just passed a nearly billion dollar borrowing package last session, and is now considering the same again. With the Governor proposing an irresponsible \$1.5 billion in new borrowing, chances are that this bill will return to the House floor following negotiations bloated with even more deficit spending that we cannot afford.

Despite Minnesota's balanced budget requirement, the state currently has more than \$11 billion in state bonds outstanding or authorized, nearly 2.5 times as much total debt as 2006. Even more concerning, debt service on these bonds is one of the fastest growing portions of the state budget. In the current biennium alone, Minnesota is projected to pay over \$1.5 billion in debt service payments, which crowds out ongoing investment in other priorities like education, transportation projects, or additional relief for taxpayers.

In order to help get government borrowing under control, AFP-MN supports a bi-partisan proposal (HF1323/SF1112) to establish a cap for debt payments related to state capital investment borrowing, which we believe should be implemented before any future attempts to borrow more money.

This proposed debt limit would complement existing guidelines related to total debt, while also focusing on the state's year to year ability to pay its other obligations. The proposal would cap state payments on borrowing at a fixed percentage of the state's General Fund revenue, ensuring Minnesota's creditworthiness and ability to borrow for future generations.

With a projected budget surplus we should be focused on paying down our debt – not adding to it. Families and businesses have to manage their debt responsibly, and government should be held to the same standard.

Sincerely,

Jason Flohrs  
State Director - Minnesota  
Americans for Prosperity

*Americans for Prosperity (AFP) exists to recruit, educate, and mobilize citizens in support of the policies and goals of a free society at the local, state, and federal level, helping every American live their dream – especially the least fortunate. AFP has more than 3.2 million activists across the nation, a local infrastructure that includes 36 state chapters, and has received financial support from more than 100,000 Americans in all 50 states. For more information, visit [www.AmericansForProsperity.org](http://www.AmericansForProsperity.org).*