



Saturday, May 16, 2020

Key Vote Alert: Vote “No” on HF2529 – Bonding Bill

Dear Members of the Minnesota House and Senate,

On behalf of Americans for Prosperity activists across Minnesota, I am writing today to urge a “No” vote on final passage of HF2529, a more than \$2 billion bonding bill. This high level of debt accumulation was irresponsible when proposed earlier this biennium; now, following on the heels of the covid-19 pandemic and ensuing government-directed economic shutdown, it shouldn’t even be considered seriously.

As a “Key Vote”, Americans for Prosperity – Minnesota may include this vote in our end-of-session Legislative Scorecard that will be shared with your constituents.

At this point, Minnesota is not yet halfway through the budgeted biennium, and the projected \$2.4 billion deficit is just that – projected. Instead of adding more spending – especially with no budget framework in place to guide decisions - lawmakers should revisit future commitments in light of new economic realities and refocusing funding on core functions and services of government. Every day that goes by is a missed opportunity to conserve the resources we still have for the most important priorities.

In short, the state needs to stop digging the hole deeper. Despite a balanced budget requirement, the state currently has more than \$10 billion in state bonds outstanding or authorized, nearly 2.5 times as much total debt as Minnesota had in 2006. Even more concerning, debt service on these bonds is one of the fastest growing portions of the state budget, crowding out ongoing investment in other priorities like education, transportation projects, and additional relief for taxpayers. Built into the projected \$2.4 billion budget deficit are debt service payments associated with \$750 million of new debt. Any amount of bonding above that – and this bill is almost three times that – actually adds to the forecasted deficit and makes the problem facing the state worse.

This massive \$2 billion-plus proposed package should not be viewed or sold as a silver bullet that will solve the state’s economic woes. Of course, there are infrastructure projects of statewide significance for which it makes sense to utilize a limited amount of bonding. But it is hard to argue that a new amphitheater in Minneapolis is of more pressing concern than ensuring access to health care for those forced out of work because of government restrictions on business. In addition, though industry-specific unemployment numbers have a reporting lag, construction and other trades jobs have not experienced the same layoffs as other industries, given they were deemed essential from the start. A massive infusion of infrastructure spending does nothing to help restaurant or retail workers who have borne the brunt of the shutdown.

Please vote “No” when and if a bonding package of this size comes before you on the House or Senate floor.

Sincerely,

Jason Flohrs
State Director
Americans for Prosperity - Minnesota