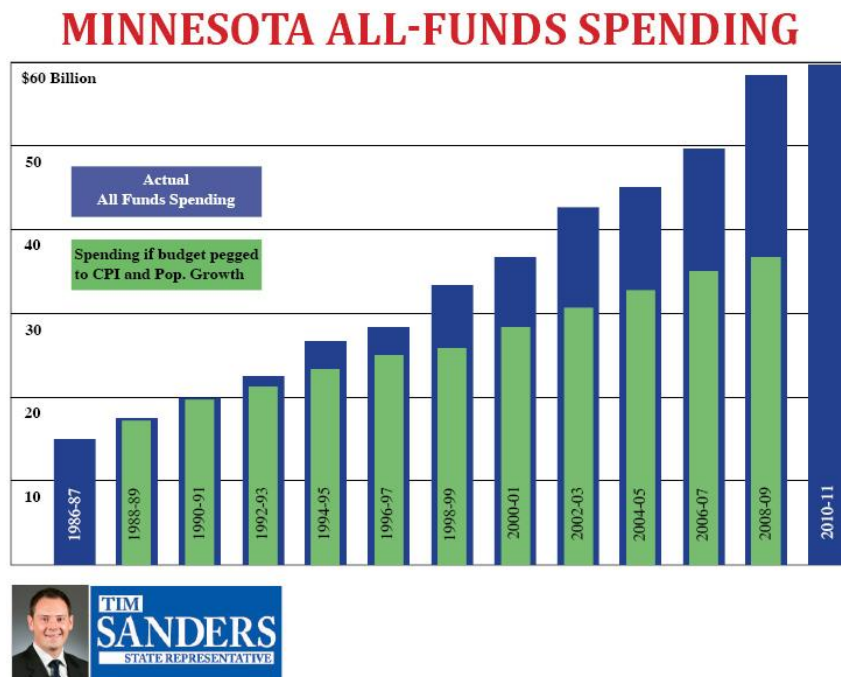




Spending

Minnesota does not have a revenue problem. It has a spending problem. Spending has grown by over \$40 billion since 1986. This far outpaces inflation and population growth. Real reforms need to be made in how the government spends money. (READ MORE)

Budgets are serious business. Facing a long-term structural budget deficit the legislature needs to get serious about the budget. Minnesota is already facing \$5.4 billion deficit next biennium. Spending in this state is beyond irresponsible. Serious reforms need to be implemented. [This graph](#) perfectly illustrates the Minnesota's spending problem.



Throughout the past two sessions I have put forward, and supported, a number of spending reforms. Taxpayers would have saved billions of dollars in the next biennium alone! These were all common-sense reforms. The majority party, however, never seriously considered

them. The legislature needs to start taking the budget seriously and make necessary, money saving reforms.

I want to highlight two of the biggest reforms I have, and continue to, support.

1. I co-authored proposed constitutional amendment which would cap spending at revenues taken in during the previous biennium. This is a very common sense concept. Apply it to your own situation. If you make \$40,000 this year, you do not set a larger budget for next year based on the possibility you will make more money. You would not charge into your boss' office and demand a 20% increase because you have spending goals to meet. However, this is **exactly** what government does.

This is not a spending freeze. Compare this biennium to next. This year we are projected to take in \$30.4 billion in general fund revenues. That would be our spending limit for 2012-2013. Next biennium revenues are projected to increase by nearly \$2 billion to \$32.3 billion. This extra money could be put in a reserve account for the next time there is a short fall in revenues.

The reason we need to adopt this reform is simple. As I said above, the state is expected to take in nearly \$2 billion more next biennium than this one. However, expenditures are expected to increase \$7.5 billion – a 20% jump – next biennium. State revenues are actually going **up without raising taxes**. Unfortunately spending is increasing more. This is unacceptable. By constitutionally fixing expenditures to revenues taken in we can prevent huge, unforeseen deficits without increasing taxes.

2. Another common sense reform I support is creating a “Sunset Commission”. This panel would be charged with periodically reviewing and auditing every state agency. When the review is complete they would issue a report to the legislature. This report would recommend the legislature do one of three things:
 - 1) Continue the agency as is
 - 2) Make changes to the agency to make it more efficient and effective
 - 3) Abolish the agency

This process forces the legislature to take a hard look at each and every program funded with your tax money. The result will be a more streamlined and effective state government. Programs and services will be delivered in a more effective manner. Redundancies will be eliminated. There will be less of an opportunity for fraud. Most importantly tax dollars will be saved.

This is the type of idea is what Minnesota state government needs. For too long the legislature has rubber stamped increases for existing programs. We should not continue programs simply because they exist. All spending needs to be reviewed to ensure it is being used in the most efficient and effective manner.