

More than 70,000 Minnesotas at risk of losing their jobs

Written by State Rep. Jeff Hayden
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The February forecast, which we received this past week, is an important part of the process we go through at the Legislature to arrive at a balanced budget. It gives us a snapshot of how our economy is performing as well as provides the Legislature with the size of our surplus or deficit for the upcoming budget cycle. As you might expect, the forecast delivered sobering news about the trajectory of our economy and a growing state budget deficit.

Our last economic forecast in December projected a \$4.8 billion budget deficit for the coming budget cycle. However, since then our economy has continued to weaken and the result is that our budget deficit has grown to \$6.4 billion. In about the only good news in the forecast, President Obama's federal recovery package will help diminish the size of our growing deficit through the infusion of one-time federal dollars to increase the federal government's share of the cost for Medicaid and health care programs. For Minnesota to qualify for these federal dollars, the Governor must adjust his budget to eliminate some of his proposed cuts to health and human services. This means thousands of Minnesotans will likely be able to keep their health insurance who otherwise may have joined the ranks of the uninsured in the Governor's first budget proposal.

Perhaps the most troubling news in the forecast was the projection on job losses. Our state economists said they expect 70,000 more Minnesotans to lose their jobs through 2010 in addition to the 50,000 Minnesotans who have already lost their jobs since the recession began. Keep in mind in an average year we usually gain about 40,000 new jobs. So in other words, this recession may cost Minnesota three years worth of job growth. Without the federal recovery act, which will create about 50,000 jobs, our jobs outlook would have been even worse. This troubling news on employment is a call to the Legislature to put job protection and creation at or near the top of our list of priorities in solving the deficit.

With a clearer idea about the size of the deficit and the challenges in solving it, it's time for the Legislature to really get down to business. For months, we have been preparing, meticulously going through the budget to look for ways to save money while not reducing or cutting valuable programs or services. In addition, we have held town hall meetings throughout the state to hear the ideas and input from Minnesotans. I had the privilege of co-chairing the hearing we held in Minneapolis a week ago and I thank everyone who came out to be heard.

The common themes that have emerged from the town hall meetings I have attended and from the constituents who have contacted me is a desire for fairness in the budget. Many of them said the Governor's budget disproportionately asks Minnesota's most vulnerable to sacrifice in order to balance the budget. I agree. Now is the time to put every option on the table to solve this deficit so that we can all share in the sacrifice.

By working together, we can get through these troubling times. It continues to be an honor serving in the State Legislature and I welcome your input and ideas. Please call me at (651) 296-5369 or e-mail me at rep.jeff.hayden@house.mn.