



'IT'S SERIOUS, GANG'

Cass County meeting with legislators focuses on the economy

By [MIKE O'ROURKE](#)

Associate Editor

EAST GULL LAKE - Senate District 4 state legislators Thursday gave their perspectives of this year's legislative session to the Cass County Economic Development Corp. at Cragun's Conference and Golf Resort.

Sen. Mary Olson, DFL-Bemidji, and Rep. Larry Howes, R-Walker, agreed Gov. Tim Pawlenty was wise to accept the federal stimulus money but amiably disagreed as to whether the governor's unallotment funding shifts to education were cuts.

"I think it would have been irresponsible to look a couple of billion dollars in the eye and said, 'No thanks'," Olson said. "That helped us fill a one-time hole ... but it would be a mistake to budget as if that money was always going to be there."

Howes said the stimulus money went to fewer shovel-ready projects than the public was led to believe would be carried out. He did say that money was used to hire people to do weatherization work on low-income homes.

As Howes cited a New York Times article indicating that other states had more serious economic problems than Minnesota, Cass County Commissioner Jim Demgen pointed out the tough decisions his county was making. He said about 17 jobs were cut last year and this year probably 10 more would be eliminated.

"It's serious, gang," he said.

On the topic of education fund payments, Howes said the governor has the authority to take Legislature-approved payments and temporarily hold them, comparing it to a person who might write a check but hold it.

Olson said the shift will force many school districts to borrow money to pay operating expenses and was a cut.

Steve Johnson of Longville expressed concern for school districts with aging populations in northern Minnesota.

"It's going to be tragic up here," he said. "Retirees...you're going to have a tough time selling them on a referendum."

Howes and Olson agreed to disagree on that point.

"They were not cuts," Howes said.

"Yes they are" Olson said.

Another announced unallotment cut may cause financial problems, said

Howes. The veteran lawmaker said Pawlenty may have removed the money that funds refunds for political contributions but state statutes still direct the Minnesota Department of Revenue to make those refunds.

"He's going to have to put the money back," Howes said.

Olson said it was a total surprise to many in St. Paul when the governor announced he would simply make cuts on his own and worried about the precedent.

"We're going down new, unexplored territory," she said. "There are lots of concerns."

She criticized "one-time, gimmicky kinds of things" that were done to help balance the budget. The governor's proposed revenue stream involved borrowing on the promise of future tobacco lawsuit payments, she said.

"Most of us believe that was fundamentally unconstitutional," she said.

"Republicans thought raising taxes was absolutely idiocy," Howes countered.

Olson outlined legislation she was working including a venture capital bill that would establish a revolving loan fund and a bill integrating how Minnesota manages its natural resources.

Asked about legislation he was working on, Howes said he relied on conversations and the insights of district residents for much of his legislation.

"My job is to represent what you want me to do," Howes said.

Jim Tertin of Magnum Research in Sylvan Township and a member of the economic development corporation said government programs that extended benefits were discouraging people from taking jobs that start at \$11.50 an hour at his manufacturing plant.

"We have had a hard time hiring people now," he said.

Olson said she would tell her son, who has returned from Iraq and was looking for work, that news. The lawmaker said that if the government has created disincentives to work then lawmakers need to hear that.

Demgen said he was proud of how Crow Wing and Cass counties have worked together on a jail in order to make government more efficient.

Hackensack Mayor Mel Rateike cited similar efforts between his city and nearby townships. He also said the economic situation might be helped if the media were a little more positive.

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