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Public offers a glimpse of impact from budget cuts
By Marshall Helmberger

State legislators were on the Iron Range last Friday in hopes of learning the public's priorities for trimming a state budget shortfall that could hit \$7 billion in the upcoming biennium.

They heard personal accounts from single mothers, students, and the disabled, pleas from city officials, and desperation from local hospital administrators, all of whom highlighted the toll that Gov. Tim Pawlenty's proposed budget cuts will take on their lives, or the lives of the residents of their communities.

The visit was part of a statewide listening tour by legislators of both parties in advance of budget formulations, which are slated to begin as soon as the updated budget forecast is released on March 6. If turnout was any indication, Iron Rangers had lots to say as more than 300 people filled a Mesabi Range Community and Technical College auditorium and spilled out into the adjacent hallway.

Dozens of area residents made their way to microphones to tell their stories. Among them was Pam Parson, from Access North, in Hibbing, an organization that advocates for the disabled. Parson said Pawlenty's proposed cuts in the program that provides personal care attendants to the handicapped will cost the state one dollar in federal funding for every state dollar trimmed. And without assistance from a PCA, Parson said many disabled residents will have to return to more expensive institutionalized care.

"These programs save the state money," she added.

Becky Gawboy, of Tower, echoed that sentiment, noting that several of her adopted special needs children will need a PCA to lead an independent life. "Please don't balance the budget on the heads of the state's most vulnerable," she said, echoing a theme voiced by many at the hearing.

Students and college faculty also voiced concerns about the cuts to higher education proposed by the governor. Sue Collins, president of the Northeast Higher Education District, noted that the district already took a \$608,000 hit from the governor's unallotment and would see cuts totaling about 15 percent of the budget over the next two years. Many speakers said the timing of such cuts was particularly troublesome, since many of the newly unemployed are considering going back to school to improve their skills for the future. One speaker noted that tuition costs in Minnesota, particularly at the community college level, are already among the highest in the country.

Health care facilities will also suffer under Pawlenty's proposed cuts, according Ely-Bloomenson Hospital Administrator John Fossum. "The governor's budget and its effect on hospitals and health care is atrocious," he said, noting that the Ely facility would see a five percent reduction in revenues at a time when the hospital is already struggling to keep its nursing home afloat.

Fossum said job cuts would be among the only way to reduce costs at the hospital. "Where there are federal matches available, let's bring some of these dollars here and keep these jobs," he said.

That sentiment was echoed by Keith Harvey, CEO at Virginia Regional Medical Center. "We're faced with \$2 million in cuts in our operation under the governor's budget. We won't be able to sustain the services we have with these kinds of cuts."

Harvey noted that the amount of uncompensated care is already rising sharply as people lose jobs and health care benefits, further adding to hospitals' financial woes.

Dr. Mike Zakula, a Hibbing dentist, also voiced concern about the proposed cuts to dental services under the state's health insurance program. "This will have a devastating effect on access to dental care," he said.

Taxes an issue

Several of Friday's speakers talked taxes, with some advocating higher taxes on wealthier Minnesotans. "We can't get this fixed by continuing to take away from those at the bottom to give to those at the top," said David Bednarczuk, of Hibbing, who drew loud



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applause for his comment. “Wealthy people in Minnesota are paying a lot lower percentage of their income in taxes than the rest of us,” he said, citing statistics from the state Department of Revenue. “It’s time to raise the revenue that we need to make the state work again.”

Others took a different point of view. “I hear a lot of ‘we want, we want,’” said Gary Knutson, who ran against Rep. Tom Rukavina this past fall. “Well, there are \$5 billion worth of ‘we wants’ to cut.”

“We can’t tax our way into prosperity,” said Troy Zachariason, of Ely.

Kim Eisenhuth, of Embarrass, said she was speaking in defense of taxpayers and complained that Minnesota already ranks high in per capita taxation. “The burden cannot keep being placed onto the taxpayer,” she said.

Legislators to

take concerns

back to St. Paul

Friday’s comments were just some of hundreds heard across the state by lawmakers during their listening tour last week. “Turnouts have been absolutely incredible,” said Rep. Tom Rukavina, DFL-Pike, who said overflow crowds greeted legislators in many locations.

While the governor has criticized the DFL-dominated Legislature for failing to offer its own budget solutions, Rukavina said the listening session was part of that process. “Now, we have to start making some proposals of our own,” he acknowledged.

Unlike the governor, Rukavina agreed with those calling for higher taxes on high income Minnesotans. “I think the wealthy have gotten a pretty good ride the last eight to ten years,” said Rukavina. “Even the governor has admitted he needs to raise new revenue to balance the budget. The bottom line is, this can’t be solved without new taxes,” said Rukavina. “If we don’t get him [Pawlenty] to move off his ‘no new taxes,’ there’s going to be cuts to K-12 education and everything else.”

On the other hand, Rukavina said he would oppose higher taxes or fees on most Minnesotans. “I want to compromise, but I’m not willing to compromise by looking at revenue raisers that go after the middle class and working people,” he said.

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