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Dayton meets with voters in North Mankato

Governor answers questions about about roads, education and frac sand

By Dan Linehan

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NORTH MANKATO — Gov. Mark Dayton admitted to a North Mankato audience Tuesday night that his budget proposal falls short on transportation and explained his rationale for more regulation of the frac sand industry.

Dayton laid out his case for spending and taxing increases during a 90-minute question-and-answer session with about 200 members of the public at South Central College.

Transportation funding emerged as a theme when Blue Earth County Commissioner Vance Stuehrenberg read a county resolution encouraging the Legislature to raise more transportation revenue.

It left Dayton, who supports tax increases for the wealthy, explaining why he was not supporting a gas tax increase.

First, he said, the state transportation department is partially to blame by failing to inspire faith that it will spend tax money efficiently.

For example, Dayton said the yellow cones between the lanes of Highway 14 west of Mankato fail a common-sense definition of a highway improvement. They're ugly, he said, and annoying because they prevent all passing.

"That's not what people were looking for in a solution," he said after the event.

Dayton also called the gas tax "unfair and regressive" because it hits middle-class Minnesotans the same as the rich.

But the biggest reason he opposes the gas tax increase is because it doesn't do enough.

"Five cents isn't going to get us where we need to go," Dayton said.

A gas tax increase might generate, say, \$150 million a year but finishing upgrades to Highway 14 alone would cost roughly \$650 million, he said. Instead, Dayton is pushing his transportation commissioner to come up with a way to fund several billion dollars for transportation.

Sand fight

At one point Lee Hiller, who is a local union representative, asked his fellow miners to stand up, and about 25 people did. Hiller said he was worried that increased taxes or a moratorium would put his fellow workers out of a job.

"The owners are telling our guys they're gonna close their doors and they won't have a job anymore," he said.

Regulations are fine, he said, but he doesn't want a moratorium or a statewide environmental study of the issue.

Dayton said there isn't much support for a moratorium "but there is support for ways to help local governments make responsible decisions."

Dayton suggested the environmental consequences wrought by the iron mining and hog feedlot industries had polluted the environment.

"That's not happening here with frac sand mining," he said.

Brett Skilbred, who manages the proposed Jordan Sands mine just north of Mankato, asked the governor about estimates that an industry tax would generate \$20 million, compared with Dayton's proposed spending of just \$2 million. Where would the rest go, he asked.

Dayton called frac sand mining in southeast Minnesota "a fairly brand new phenomenon" and suggested it was too soon to get a reliable estimate of how much tax proceeds might generate.

Dayton challenged questioners at times, as when Dotson Company president Jean Bye suggested that state regulations had made iron ore mining unprofitable. Dayton said that was false; the state had simply run out of deposits.

Bye said she didn't want to argue the issue and moved on to her point, that her company buys sand and increased taxes on the industry would make it harder to compete with China, India, Mexico and Brazil.

"We can't pass it on," she said.

Education, health care

Though they didn't get as much of an airing, these two issues combined absorb well over two-thirds of the state's budget.

Mankato teacher Robin Courier said there aren't enough counselors and social workers in area schools. Dayton agreed, and said his solution was to give school districts another \$50 per student which they can decide for themselves how to spend.

Dayton voiced his support for a single-payer health care system, and said his budget wouldn't raid the 2 percent health care provider tax to find money for non-health-related items, as previous budgets have.

Critical questions

There were a handful of criticisms, as when a North Mankato woman asked "In a year that's not a bonding year and when we're deeply in debt, why are we pursuing bonding?"

Dayton replied that low interest rates of 2.05 percent encouraged borrowing, and that the spending creates jobs and finishes worthwhile projects.

North Mankato Councilman Kim Spears said Dayton's proposed 10 percent increase in the state's next two-year budget would damage the economy.

Dayton said if you keep spending the same, you're accepting the cuts that were made in 2010 out of necessity during the budget crisis.

Come on down

There were a slate of other interests raised, most of which Dayton agreed with. Mankatoan Leigh Pomeroy suggested the state pay attention to its use of fossil fuels in an era of climate change. And he asked where North Mankato's mayor was, given that Mankato Mayor Eric Anderson had joined Dayton at the table. Dehen walked down, red-faced after a round of applause, and joined them, briefly thanking the governor for the help with Highway 14.