

**American Federation of State, County and Municipal Employees**  
*One strong united voice for Minnesota workers*

300 Hardman Avenue South  
South St. Paul, MN 55075  
Council5@afscmemn.org



Phone (651) 450-4990  
Fax (651) 455-1311  
Toll Free (800) 652-9791

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Honorable Members of the House Property Tax Division:

AFSCME Council 5 strongly supports HF 1377 (Rep. Lislegard) which proposes to increase Local Government Aid and County Program Aid by \$150 million for each program and includes an annual inflator for succeeding years to help keep pace with inflation and growing needs. These programs ensure all communities in the state will receive good quality services at an affordable price. They fund a wide range of basic public services and infrastructure while restraining property taxes, which are highly regressive taxes that hit those who can least afford it the hardest. CPA goes to all 87 counties while LGA goes to nearly 90% of the cities in the state.

Funding for these programs has not kept up with inflation which has led to both increasing property taxes and cuts to vital public services. The last increase for these programs was passed in 2019 and only brought funding levels back to approximately the 2002 level. This funding level does not account for the inflation that has occurred over the last 20 years which has significantly reduced the purchasing power of those dollars, nor does this funding level account for growth in population or increased needs. Recently inflation has reached levels not seen in decades which has sent costs soaring. That is why an annual inflator is so important in this bill.

If CPA had simply kept pace with inflation over the last 20 years, the total would be at \$450 million instead of \$264 million, which is where it stands today. Since 2009, LGA has only grown by 17% while inflation has increased by 55% over that same time period. The state's commitment to LGA and CPA has declined significantly as a share of the state budget since 2002.

LGA and CPA have been described as the foundation of the state's partnership with local governments. We at AFSCME Council 5 agree. Unfortunately, this foundation has deteriorated because of inadequate funding for the last 20 years. This year's surplus provides the state with an opportunity to renew its commitment to local partners across the state and reinvest in its local communities to provide both lower property taxes and better services. This bill will improve the quality of life for Minnesota's citizens and help build stronger communities in every corner of the state.

In Solidarity,

A handwritten signature in black ink, appearing to read "Julie Bleyhl".

Julie Bleyhl  
Executive Director

A handwritten signature in black ink, appearing to read "Ethan Vogel".

Ethan Vogel  
Legislative Director