

COSTS of Dayton's Government Shutdown...

TO MINNESOTA TAXPAYERS...

EMPLOYEE BENEFITS: One of the biggest new expenditures: **unemployment benefits for roughly 22,000** freshly laid-off state employees. In most cases, those workers are entitled to collect 50 percent of their pay while not working, according to a spokeswoman for AFSCME, the union that represents 18,000 state workers. Those workers also will continue to receive health insurance at a cost of **\$4.7 million a week** to the state. **Altogether, the state could be shelling out \$13 million a week** to keep all those workers idle, based on the average salary of \$38,000 earned by a state union member. "Shutdown cost will bring sticker shock," StarTribune, 7/4/11

UNCOLLECTED AUDITS: Consider the state's Revenue Department, where just 53 of 1,504 employees are still on the job. While voluntary tax payments will continue, the audit section has been mothballed. That means the state stands to **lose about \$52 million in uncollected payments per month**. "Shutdown cost will bring sticker shock," StarTribune, 7/4/11

UNCOLLECTED COMMUTER REVENUE: Another lost revenue stream -- commuters. Normally, motorists pay the state **\$40,000 to \$50,000 a week for MnPass privileges**, which allows them to beat the traffic by using express lanes on parts of Interstates 35W and 394. "Shutdown cost will bring sticker shock," StarTribune, 7/4/11

CONSTRUCTION JOBS LOST: More than 28,000 jobs related to highway and bridge construction lost if projects are halted. The entire 2011 state highway construction season is at risk -- 258 new and ongoing projects worth \$900 million. And that is just the work on the state system. Local projects with federal funds involved may well be shut down, adding **another \$150 million to the \$900 million worth of projects on the state system**. (Finance & Commerce, 6/26/11)

LOST STATE PARK REVENUE: The Minnesota Department of Natural Resources estimates that **\$1 million per week** is generated at state parks during July from camping fees, vehicle permits, tours and sales of wood, ice and other merchandise. DNR officials say closing state parks would also result in about \$12 million per week lost to the local tourism economy. (MPRNews, 6/27/11)

POPULAR DESTINATIONS: Another popular destination: the Giants Ridge golf resort in northeastern Minnesota. It expects to lose \$80,000 for the first week of a shutdown. The state's two private horse racing tracks and card casinos, which are regulated by the state, laid off hundreds of workers because they can't operate during the shutdown. Track operators said an extended shutdown during the height of racing season could be devastating. The state receives **more than \$150,000 a month in fees and payroll taxes** from the track. "Shutdown cost will bring sticker shock," StarTribune, 7/4/11

LOTTERY INCOME: Minnesota will lose **about \$2.3 million in profits from weekly lottery sales**, according to the lottery's assistant director and general counsel. "Shutdown cost will bring sticker shock," StarTribune, 7/4/11

HALTING CONSTRUCTION PROJECTS: The simple act of stopping and starting can be costly: Halting and restarting work on the Interstate 494-Highway 169 project in the southwest metro could **cost as much as \$400,000**, the construction company leading the project told MPR News last week. If delays last long enough, there could also be increased penalties that need to be paid to the construction companies. Missing the construction season could also be an issue in the event of a long shutdown. (MPRNews, 6/27/11)

LOST FORESTRY REVENUE: Minnesota Forest Industries, a trade group, says the forest industry **pays the state about \$229,000 a week to harvest wood on state land**. The industry says it **generates another \$655,000 a week in state and local taxes**. (MPRNews, 6/27/11)

TO MINNESOTA BUSINESSES...

PRIVATE SECTOR SPENDING: (State Economist Tom Stinson) estimates layoffs at social services businesses ...could mean as much as \$5 million each week in reduced spending power for those workers. In construction, where Stinson thinks 2,000 to 4,000 workers could be laid off, the effect could be as much as \$2 million each week in lost spending power. The leisure and hospitality sector could see \$5 million in lost spending per week. Those losses combined with the lost wages of state workers **could reach \$25 million in lost spending power each week**. MPR News, "Employers in private sector prepare for hit," 7/4/11, www.minnesota.publicradio.org)

PRIVATE EMPLOYERS TO PAY INTEREST ON STATE BENEFITS: Because its unemployment trust fund is broke, the state is borrowing from the federal government to pay benefits to all eligible out-of-work Minnesotans and for-profit (private) employers are going to end up having to pay more because **the billing of private employers for those interest payments is written into state law**. "Private employers to pay interest on state benefits loan during shutdown," St. Paul Pioneer Press, 7/2/11 **Cost unknown**

MORE THAN \$65 million/week TO MINNESOTA

OTHER/UNKNOWN...

Delayed payments can result in **financial penalties**. Delays could hit everyone from state workers to nonprofit agencies to welfare recipients.... Delays to things like road construction projects could make businesses question their partnerships with the state....**Planning for shutdown** in 2001 cost the state about \$2.7 million even though there was no shutdown. The planning cost was similar in 2005....In the 2005 shutdown, **lost productivity** was estimated at about \$10 million...Credit rating agencies **won't look at a shutdown favorably when deciding how to treat the state**. Investors might also be less trusting. (MPRNews, 6/27/11) With the run of **vandalism and trespassing** since the shutdown, DNR must now turn much of its 186 officers' priorities from "our normal role" of enforcing hunting and fishing regulations to security. ("Afton State Park buildings burglarized...", StarTribune, 7/5/11)