

## STATE OF THE STATE ADDRESS

**Governor Tim Pawlenty**

**February 6, 2003**

**Saint Paul, Minnesota**

Distinguished guests, distinguished members of the Legislature, thanks for the opportunity to report to you and the good people of Minnesota on the condition of our State.

Our State is awesome. It remains one of the best in the country. But, as Bob Dylan wrote, "The times they are a changin'."

We're in a new kind of war - started by sucker-punching cowards. The battle's here, on our shores, and it undermines our sense of security.

We're in a new kind of economy. Capital investments, ideas and data are now flung around the world with a click of a mouse.

And, we've got a new kind of state budget: it's terrible.

Our freeways are clogged.

Moms and dads are always in a time vice - between work and family.

Our schools seem to be in constant crisis.

Health care costs are eating our paychecks and government budgets alive.

Our prisons are overflowing.

Big parts of rural Minnesota are being left behind.

Our beautiful Minnesota environment is under increasing stress.

And, we've got more people in need and not enough resources to help them.

And the beat goes on.

These challenges are not the result of a lack of caring or lack of government spending.

This state's spending doubled in just the last ten years. We're one of the highest taxed, highest spending states in the nation.

Yet, even with government spending more and more and more, our momentum and quality of life have stalled out.

We're in a financial crisis - the likes of which Minnesota has never seen.

The largest budget deficit in the history of the State - times two or three - is staring us in the face. It's huge. It's mean. It's ugly. It's the Incredible Hulk of budget deficits.

And it could get worse. A prolonged war with Iraq, an economic downturn or another major act of terrorism will worsen the deficit.

We need to come together, as leaders and as Minnesotans, on a plan to cut the Goliath down to size and then build a brighter future.

The Minnesota our parents and grandparents knew is a fond memory for many of us.

But we can't take the same path as the generations that preceded us - it doesn't exist anymore.

We need to reinvent Minnesota for our children and grandchildren. We can still rely on our great Minnesota principles and values as our compass. But we need to lead boldly and chart our own course to a new "Good Life in Minnesota."

As governor, that's what I am going to do.

### **COURAGE AND SACRIFICE**

As President Bush reminded us after the Columbia tragedy, great endeavors are never without great risk.

These days demand great courage and sacrifice from us all. This crisis will be only the most recent chapter in Minnesota's history of courage.

Last week at Camp Ripley and this week at the Marine Corps Reserve Center in Minneapolis, I had the privilege of thanking and helping to send off more brave men and women leaving their families to serve our country in the war on terror.

Many will be gone for a year or more. Many leave behind confused and distraught young children. I saw a heartbroken, sobbing four year old desperately clinging to the knee of her daddy, pleading with him not go. I tried to tell her that her daddy was a hero; that he was keeping us all safe; and that we loved him, too.

They go because it's their duty. They go because they understand commitment to principle. They go because they understand the need to sacrifice in times of crisis and peril.

Minnesotans have courage.

Today we have two very special guests with us. They're Harold "Snuff" Kervers and Alf Larson. They're survivors of the Bataan Death March, where 16,000 U.S. and Filipino soldiers died as they were forced to march without food and water to a Japanese prison camp. It was one of the most horrific chapters of the Second World War.

I met these patriots recently at a reception in honor of Alf's service to our country. One of Alf's friends heard about his story only after Alf reluctantly shared it in his eighties - after keeping it to himself for most of his life.

Minnesotans have courage.

They understand commitment to principle and the need to sacrifice in times of crisis. Help me thank these two remarkable Minnesotans.

If we go back 140 years, there occurred one of the greatest moments in Minnesota's history of courage.

On the very day Fort Sumter was fired upon and the Civil War began, our second governor, Alexander Ramsey, happened to be in Washington D.C. When he heard the news, he went immediately to the White House and pledged Minnesota's militia to President Lincoln. That militia was the first state unit committed to the war effort for the Union - the Minnesota 1st Voluntary Infantry Division - or the "Minnesota 1st" as they became known.

Just a short time later, the unit played perhaps the pivotal role of the entire war during the Battle of Gettysburg.

During the battle, a force of a thousand Confederate soldiers charged the middle of the Union army's lines in an effort to split them in two. Union General Hancock ordered Minnesota's unit to charge out and meet the attack - even though they were outnumbered 20 to 1.

He said this later about Minnesota's heroes:

"I ordered the men to charge because I saw I must gain five minutes time. Reinforcements were coming on the run, but I knew before they could reach the threatened point, the Confederates, unless checked, would seize the position. The charge was necessary. I was glad to find such a gallant body of men willing to make the terrible sacrifice."

Eighty-two percent of the Minnesota 1st fell in those five minutes, the largest percentage loss of life of ANY unit during ANY engagement of the war. Had General Lee succeeded in that charge and that battle, the tide of the war could have turned. In their five minutes of courage and ultimate sacrifice, the Minnesota 1st changed the course of history and this nation.

Courage and sacrifice is not limited to those in uniform.

It's on display in our homes, neighborhoods, charities, places of worship, and businesses every day and in every town across this Great State.

Yes. Minnesotans have courage.

We understand commitment to principle and the need to sacrifice in times of crisis.

And we need that now. We have our duty to perform. Let's get at it.

## **THE BUDGET CRISIS**

Our work starts with solving the State's budget crisis. It's job one, two, three and maybe four.

The deficit we face is caused by spending too much, not by taxing too little.

The revenues coming into the State are projected to grow by 6.6 percent, which is a normal level in Minnesota's modern history. What's out of control is our government spending. Unless we change things, our state budget is expected to grow by 14.4 percent during the upcoming biennium.

I don't know many Minnesotans whose paychecks are growing by 14.4 percent.

This isn't brain surgery, folks. The State is simply spending more than it is taking in. And now we need to do what any Minnesota family who faces a financial challenge would do - sit down together at the kitchen table and figure it out.

Families can't raise taxes to get out of a jam – and we won't either.

People will say reductions in funding for government programs are an intolerable sacrifice or that we're sending our state back to the Stone Age.

What they won't tell you is that the budget we'll be submitting will actually increase the overall level of state government spending and that this will be the largest budget in Minnesota history.

And, they won't tell you that even after the cuts, we'll remain one of the biggest government spending states in the nation.

When the protests come, and they'll come loudly and often, I hope you'll help me share this message:

We're at war. Our economy is in deep trouble. Thousands and thousands of our fellow Minnesotans have lost their jobs. The sacrifices we'll be asking government to make are no different than the sacrifices families, businesses, workers and all organizations across this State are already making every single day.

And one more thing: the difficulties we face and the cuts we'll be making are nothing – they are nothing – compared to the sacrifices made by the generations before us or the sacrifices the men and women of our armed forces are making today.

We spent our way into this crisis. We're not going to tax our way out of it.

For some, that's an outrageous position. The people of Minnesota don't think so. As I travel around this great state, people agree that we shouldn't raise taxes.

Solving our budget deficit without raising taxes should not be a partisan issue.

Look to our east. The Governors of Wisconsin and Michigan – who are Democrats – have said they will not raise taxes. They have joined with their legislative leaders to make a bipartisan commitment to solve their deficits without new taxes.

We should have a united front against the deficit in Minnesota. Today, I'm asking legislators from both parties to join with me and most Minnesotans to protect hardworking Minnesota families from having government take even more from their paychecks.

### **THE VISION AND NEED FOR CHANGE**

Our budget and our agenda is not just about balancing the books. It'll also be about re-tooling, reforming and improving government so we reinvigorate our quality of life. I'm not interested in managing government. I want to change it.

Behind me is a portrait of Abraham Lincoln. When he took office, he set two main goals. First, preserve the Union. And second, build the transcontinental railroad.

Now, the fans of the Northstar Commuter rail project shouldn't get overly excited about this reference. The point here is much broader.

Facing the greatest crisis in this nation's history, Lincoln knew securing the present was not enough. He had a vision and agenda for building the future beyond the immediate crisis.

We can't just solve the budget crisis. We also need to get about the business of re-building Minnesota's future.

The good news is that if we make the tough calls now, our budget situation is going to come around within three years. Better days will come if - if - we lead now.

And while we don't have much new money to spend, we do have the power to create new and much more effective ways to spend the money we do have.

### **THE AGENDA - EDUCATION**

The education of our children and grandchildren is one of our highest duties.

It wasn't that long ago that Minnesota was the epicenter of innovation in education. If something big and good was happening in education reform, it was happening here.

We still have a great education system, but we've become complacent and we're treading water. We need to reclaim our place as the best education innovators in the country.

Here's what we need to do to get started:

1. Get back to the core mission.

The main thing is to keep the main thing the main thing. Educating children and improving student learning is the main thing. Not "feel good" curriculum. Not focusing on attitudes instead of academics. We're going to start this effort to refocus by renaming the Department of Children, Families and Learning the Minnesota Department of Education.

2. School accountability begins with parents.

Parents need to be more accountable. Parents must do their part. Minnesota moms and dads, we need to make sure our children get a good night's rest before school, and come to school fed and ready to learn.

When they're at school, children need to behave and it's the parent's job to help ensure behavioral problems don't continue. And when our children return home, both they and their parents need to understand that homework and tutoring by parents is more important than American Idol, WWE, DVD's or getting to the next level on the Grand Theft Auto video game.

As working parents with two young children, Mary and I know how challenging this can be. The First Lady, who is with us here today, is an extraordinary wife and mom and our family is so grateful for her.

For the parents who can't or won't answer this call, we need to find mentors, tutors and others who will.

3. The Profile of Learning needs to be abolished and replaced with something better.

Minnesota started America down the path of uniform standards for schools. But we've veered badly off track.

Our children deserve nation-leading academic standards that are clear, rigorous and focused on what students need to know. And I trust teachers to know how to help students reach those standards.

4. We need a new approach to educating our neediest children.

As good as our schools have been, we're leaving too many children behind. And the sad reality is, they tend to be poor, disabled, or children of color.

I will not stand by and allow another generation of disadvantaged children to be cast aside.

In some of our highest spending school districts, less than 1/2 the students graduate, and many who do need remedial education. That's not good enough. For these children, we need to be more creative.

My administration is committed to giving the parents of these children more options. Who is against giving poor, failing or disabled children more opportunities - and why would you be?

5. Reward great teachers.

The best and brightest students in the world need the best and brightest teachers in the world. That means paying good teachers more for excellent teaching. We need to move towards performance pay plans for school staff.

6. Create a school funding formula that is fair and understandable.

The current school funding formula is broken and too complicated.

In the coming weeks, we'll name a panel of school finance experts and interested citizens to begin the process of redesigning our school funding formula. After receiving their recommendations, we'll ask the Legislature to authorize demonstration projects that will allow a dozen districts to try out the new ways of funding schools. Whatever works best should be available to districts statewide.

Better schools are the ticket to opportunity and a better quality of life for future Minnesotans.

## **JOBS**

And so is a job.

We're the place that invented toasters, thermostats, water-skis and Spam. We heal the world, feed the world and sell the world pacemakers. We dug the iron ore that won two world wars. But our economy is in trouble.

We've lost 38,000 manufacturing jobs in the last four years. That's nearly all of the manufacturing jobs we gained during the entire decade of the 1990's. We're hemorrhaging the types of jobs where average Minnesotans can still make a good wage and have decent benefits.

We need a full range of job opportunities in Minnesota to sustain the quality of life for everybody. I'm sick and tired of stimulating the economies of places like Wisconsin and South Dakota with our jobs.

Here's what we need to do:

1. Do no further harm.

Taxes chew up the bottom line of job creators. We can't make a bad situation worse.

2. Create JOB Zones.

Today, there's an acute shortage of good paying jobs in Greater Minnesota.

From East Grand Forks to Hibbing to Luverne to Spring Grove, there are communities and families and small businesses that need a reason to hope - and a chance to grow jobs. Today I'm calling on the Legislature to enact my plan for JOB Zones to provide an economic adrenaline boost to the most economically challenged areas of the state.

3. Invest at home.

The State Board of Investment should invest more in Minnesota companies. Many states already have gone down this path. It's resulted in more investment and jobs in their states.

#### 4. Build on our strengths.

It's easier to ride a wave than to create one.

When it comes to future job growth, our state's economic health hinges on human health. We're a world leader in cutting edge medical technologies. Genomics, medical devices and biotechnology offer the promise of a longer life and the opportunity for more good jobs in Minnesota.

We need to rekindle the entrepreneurial spirit of Minnesota's colleges and universities to make our state a global leader in this rapidly emerging industry.

I will lead efforts to bring the Mayo Clinic and the University of Minnesota together to make two of the nation's premier providers strong partners in developing the treatments, devices and medicines that will revolutionize medical care within a decade.

It will also be a big boost to our economy.

#### 5. Provide greater incentives for investments in new Minnesota businesses.

Once we get our heads above water with the budget, we should provide greater incentives for venture capital investment in new Minnesota companies. To build jobs, we need to be more friendly to job-creators and investment-makers or every one of us will pay the price. We need to stop the things that drive jobs away and start doing more of the things that bring jobs here to stay.

### **PUBLIC SAFETY**

A great education and a good job don't mean much if we're not safe.

The safety of our citizens is government's first duty. We're in a global war against terrorism, and we need to keep our guard up by taking several actions:

1. Keep track of foreign visitors by putting their visa expiration dates right on their drivers licenses.

We shouldn't give a four-year driver's license - Minnesota's most important identity document - to people who may only legally be in this country for a few weeks. This common sense legislation passed the House with a majority of Republicans and Democrats voting for it. Today, I'm calling on the Senate to quickly embrace this important prevention tool that our law enforcement community has endorsed.

## 2. Help authorities communicate in time of crisis.

The men and women who risk their lives responding to an emergency need to be able to talk to each other. If disaster strikes here, many of the first responders have radios that don't allow them to talk to each other. This is especially true in Greater Minnesota. It's a problem that will cost lives in the event of a real emergency.

I will use federal terrorism dollars to accelerate Minnesota's efforts to allow First Responders to communicate.

## 3. Share information with local and federal authorities.

One of the lessons of September 11th was that the failure of agencies to share information made us more vulnerable. We won't repeat that mistake in Minnesota. One of our priorities will be to complete the work of linking our criminal justice systems to protect the lives of Minnesotans.

## 4. Serve crime victims better.

Victims of crime are now poorly served by uncoordinated programs that were designed to help them. We're going to pull together crime victim and anti-violence efforts into a new Office of Justice Programs to provide a seamless system of services.

## TRANSPORTATION

In addition to keeping people safe, we need to improve the ability of Minnesotans to travel.

We need to change the culture and the approach to building Minnesota's transportation infrastructure. Our projects take too long, cost too much, and don't move enough people and goods from point A to Point B. This burdens our economy and compromises our quality of life.

MNDOT needs a shake up, and I don't know a better shaker than Lieutenant Governor Carol Molnau. She'll find waste and end it. She'll locate red tape and cut it. She'll find money to save and reinvest it.

We *will* move our transportation system forward.

## **HEALTH**

Health care is at the same time Minnesota's costliest problem and its greatest opportunity for change. Rising health care costs are fueling a big part of our budget deficit and they're squeezing the budgets of workers, employers, and families in a very painful way. If any state can solve this problem, it's Minnesota.

Former U.S. Senator Dave Durenberger has agreed to lead a Blue Ribbon Task Force of Minnesotans to help us chart a course for the future of health and health care in Minnesota. This task force will provide Minnesotans with a long range cost control strategy to make health care more affordable. I expect this task force to finish its work within the next eight months.

With Senator Durenberger's leadership, I'm confident this effort will succeed.

Kids, jobs, public safety, transportation and health. Some will ask if we can afford to move forward with these new initiatives. We can't afford not to.

## **A CALL TO CITIZENSHIP AND SERVICE**

There's a story I've heard about John F. Kennedy.

In 1961, President Kennedy said: "...this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon, and return him safely to the earth."

The story goes, he was touring the Space Center in Florida a short time later. At one point during the tour, the President visited with a janitor. The young president said to the man, "Well, sir, what do you do here at the Space Center?" Without hesitating, the man answered, "I'm putting a man on the moon by the end of this decade, Mr. President."

Vision is a powerful thing. It motivates people because it connects their individual contribution, however small, to a great and noble purpose.

Today I want to issue a call to citizenship and service to every Minnesotan who hears my voice. Minnesota needs you – now.

I got a letter recently from Phyllis Bakke of Northfield, who has joined us today.

Without commenting on her age, let me just say she's seen many governors come and go in her lifetime. She wrote to encourage me. When she read about the deficit, she did a simple thing. She sent me a dollar. This dollar.

I'm sure she's sent a lot of dollars to the Minnesota Treasury during her life. But she wanted me to know, and wants us all to know, she's going the extra mile for the state she loves. I'm going to keep Phyllis' dollar to remind me that addressing a meaningful challenge begins with one small step. And you know what Phyllis? When we've met the challenge and solved this crisis, I'm going to give you your dollar back.

Thank you for your Minnesota spirit of giving and sacrifice.

In a time so dominated by big government, big business, big labor and big media, perhaps we have lost our understanding of the role citizens can play.

The Minnesota Time magazine celebrated three decades ago was not the product of politicians, CEOs or talk radio. It was created by citizens who reinvented health care, education, and community.

As Minnesota approaches our 150th Birthday, we need to rediscover that civic service that made us great.

Perhaps we've all become too comfortable, too entitled, too quick to rely on government and too slow to take responsibility ourselves. We face an unprecedented global and financial crisis. Perhaps that is the privilege of our problem: to hear our own call to arms, our own call to service, our own call to sacrifice and our own call to leadership.

I ask you to serve wherever your conscience directs and your circumstances permit.

Shut off the TV and the computer and find somebody who needs your attention.

Learn about another culture and get to know and trust someone different than you.

Buy something on East Lake Street rather than on EBay.

Instead of going to a "feel good" movie, do something good and feel the real thing.

I want to make a special call to the citizenship of those who have chosen the serving professions. The teachers, nurses and doctors. The ministers, social workers, tutors, mentors, and public employees. Thanks for what you do.

We need you to help solve this challenge. For now, the answer can't be more money. But you can help a great deal because I know you have ideas on how to reform your professions from the inside out and how to revolutionize the way we heal, teach and build character. We need you and ask for your help.

One of my first visits after the election was to the Department of Public Safety. A supervisor there pulled me aside and said, "Governor: the key is not doing more with less. It's doing the right things well." That was Brian Lamb, my new Commissioner of Administration. He summed up what must become our common passion and vision.

And as Minnesotans have done throughout our history, we should seek strength beyond ourselves.

Isaiah wrote:

"Even youths grow tired and weary, and young men stumble and fall; but those who hope in God will renew their strength. They will soar on wings like eagles; they will run and not grow weary, they will walk and not be faint."

In that spirit and hope, and in the great heritage of service and sacrifice that is Minnesota, let us walk together. Then let us run. And one day soon, even soar.

May God bless you and may God continue to bless the great State of Minnesota.