

STATE OF THE STATE ADDRESS
Governor Tim Pawlenty
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St. Cloud, Minnesota

As prepared for delivery

More than 80 years ago, a young man from Central Minnesota made an historic journey, alone, in an airplane across the Atlantic.

When Charles Lindbergh emerged from the plane, he said just what you might expect a Minnesotan to say, "Well ... I made it."

This year marks our wonderful state's 150th birthday. For this occasion, we can set aside a bit of our usual Minnesota modesty and look back with pride on what we've accomplished together.

Our economy has successfully grown and evolved. We do everything from feeding the world to exploring the wonders of cyberspace.

We've been enriched by the presence of different cultures. We mix together, appreciating how our differences contribute to a richer Minnesota.

We've faced floods, fires, tornadoes, and wars, and we've overcome.

We've produced great people: Norman Borlaug and Sister Kenny; Seymour Cray and Earl Bakken. This special place raised Judy Garland, Prince, and Bob Dylan; John Madden, Vern Gagne, and

Charles Bender; Hubert Humphrey, Herb Brooks, and Roy Wilkins, to name just a few.

Here in the St. Cloud area, you have local favorites as well, including Alice Wheelock Whitney, Dave Durenberger, Jim Eisenreich, and Al Loehr.

On my block in South Saint Paul, it was the Bruggemans, Marshinkes, Daniches, Boljanoviches, Elsenpeters, and the Pokornys. They weren't famous, but they were pretty special, too.

I'm delighted to deliver this speech here in the "Granite City." Much of this area is built on solid rock. This area's values reflect the strength of our state and the goodness of our people.

Al Loehr is a hometown example of these qualities and values. Al was the son of a stone cutter. As a young man, Al went to work for the railroad. He went to war in the South Pacific as part of the greatest generation. He landed by ship in the port city of Hiroshima and witnessed the destruction of war.

Like many in his generation, he helped save the world and then came home and helped build his community. He returned to St. Cloud and the railroad. He served as mayor here and led efforts to further improve this city.

He was a Minnesota Commissioner of Veterans Affairs and has given over 50 years of service to the cause of veterans. He is Minnesota bedrock, and we stand on his shoulders today. Join me in thanking a true Minnesotan, Al Loehr.

It's because of the hard work, dedication, and character of our people, that Minnesota is at or near the top in most quality of life measures.

We're number one in child well-being, home ownership and access to health insurance.

We're number one in voter turnout, Fortune 500 companies per capita, and production of medical devices.

We're number one in sugar beets, sweet corn, green peas, and turkeys.

We're number one in ACT scores, the percentage of adults with a high school diploma, and number two in the country in eighth grade math scores.

We're near the top in E-85 pumps, wind energy, renewable energy, and recycling.

We've been judged the most livable, the healthiest, the most generous, and the hardest working state in the nation.

We are grateful for St. Cloud's hospitality today and for the opportunity to feature this growing, exciting and forward-looking city.

St. Cloud's hard work and leadership has been recognized in so many ways. For example, St. Cloud Hospital is noted for its excellence. It has been repeatedly named as one of the best hospitals in the nation and was the first hospital in Minnesota to

post cost and quality measures on its Web site to increase accountability.

St. Cloud has been named as one of the safest cities in America.

It's also home to a leading University and Technical College, both of which are highly aligned with the needs of the community and regional economy. St. Cloud was also recently recognized for its healthy lifestyles, planning for the future, appreciation of heritage and history, strong work ethic, and being a good steward of our natural resources.

The St. Cloud Rotary Club has pledged \$1.5 million to renovate and improve Lake George in downtown St. Cloud. Isn't that a great example of community partnership and teamwork?

Recently, the City of St. Cloud won a Gold Medal as the most livable city in the world. Mayor Kleis, that's about as good as it gets.

Congratulations to you and your fantastic city.

In so many ways St. Cloud is a model leader for our state, and we look forward to its continued growth and success.

Our ambition as Minnesota leaders should be to make this state the best place in America the best place in the world to live, work, and raise a family.

In 2007, Minnesota faced a decade's worth of disasters in a year's time. Spring floods along our western border were followed by massive forest fires near our northern border. Large portions of

Minnesota, including Stearns County, experienced severe drought. In August, we faced the most difficult of challenges: the I-35W bridge collapse and historic flooding across southeastern Minnesota.

But in the midst of trouble, our state and our nation saw the character and resolve of Minnesotans come shining through. Our prayers, concern, and support continue for those who suffered loss in those heartbreaking events.

Through it all, we saw the strength of Minnesotans.

As Governor, I've seen that strength many times.

I've seen it in the faces of brave military families.

I've seen it in the eyes of cold and tired flood victims absolutely committed to rebuild.

I saw it as a kid growing up in South Saint Paul, when families impacted by mass layoffs at the meat packing plants got back on their feet. I saw it in my own home when my Mom passed away and my Dad got laid off not long after.

And I've seen it in acts of uncommon heroism by regular people, like the I-35W bridge construction worker who risked his own safety to pull people out of the river with only a broom handle.

Our state is strong even as we are challenged by circumstances.

Minnesotans are understandably concerned about a fragile economy, rising health care and energy costs, making ends meet, and government's never-ending claims on their pocketbooks.

But Minnesota is up to the challenge.

Minnesotans are smart. Minnesotans are creative. Minnesotans are strong.

We have work to do, so let's get started by putting first things first.

The burden of war has fallen hard on the members of our military and their families. In the last year, Minnesota welcomed home more than 3,000 soldiers. We also laid some of our heroes to rest. They gave us their all. Our words and our deeds need to honor their remarkable commitment, courage, and sacrifice.

We've worked together to support members of the military, their families, and veterans. I ask the Legislature to pass the military and veterans package I proposed in November.

Serving others gives life great meaning. We have with us today someone who has led a deeply meaningful life: Lieutenant Colonel John Morris, a chaplain in the Minnesota National Guard, who has spent a lifetime faithfully pastoring others.

He has also poured himself into welcoming soldiers all the way home by designing and leading Minnesota's reintegration effort. Our Beyond the Yellow Ribbon program has become the nation's foremost program for soldiers and their families, and we're so proud of its success.

We're very grateful to Chaplain Morris and deeply appreciate the great care and service he has provided to the men and women in

our military. He personifies the meaning of commitment. Please join me in thanking Chaplain Morris.

Our efforts to create a brighter future for Minnesota should also focus on reducing our dependence on foreign oil and producing cleaner energy.

Minnesota should continue to lead efforts to "Americanize" energy production. We must help keep America from becoming an energy hostage to hostile and unreliable leaders like Hugo Chavez, Vladimir Putin, and Mahmoud Ahmadinejad. Homegrown energy will also grow green collar jobs in Minnesota and improve our environment.

This year, I'm asking the Legislature to approve up to 20 million dollars in revenue bonds to fund low interest loans for communities to encourage the installation of micro energy technologies such as home-based solar, next-generation windmills, geothermal heating, and other renewable energy sources.

We also want to maintain our status as the nation's biofuels champion. We were the first state in the nation to require that our gasoline contain ten percent ethanol, and we've passed a law to double that.

Four years ago, we harvested the ingenuity of Minnesota farmers and required that our diesel fuel contain two percent soybean oil. We've improved the product and now let's increase the biodiesel requirement to 20 percent by 2015.

We should also take further steps to reduce greenhouse gas emissions. But it's important that our efforts ensure jobs are not lost as a result and that Minnesota does not place itself at a competitive disadvantage.

Clean energy will help our environment and outdoors, and that is a good thing. Enjoying the outdoors is part of who we are as Minnesotans.

We have a once-in-a-lifetime opportunity to make even more progress this year by acquiring one of the most breathtaking parcels of undeveloped land left in Minnesota. I propose we purchase 3,000 acres of land along the shores of Lake Vermilion and dedicate it as our first new major state park in 40 years.

I strongly urge the Legislature to seize this historic opportunity to do permanent good.

Some are concerned about funding for this purchase. The Environmental Trust Fund is the ideal funding source. It has a healthy balance and using it will not put further strain on our general fund.

On the broader issue of the general fund, we know the fragile economy is one of the largest challenges facing our citizens.

The economy has slowed down and government's tax collections are now lower than previously projected. Our state budget is in serious deficit. That deficit will almost certainly be much worse when the new budget forecast is released in a couple of weeks.

As we tackle the deficit, we must remember that Minnesota's hardworking families are already squeezed enough. They're paying more for gas, food, and health care. The last thing they need is government rummaging around in their pockets looking for more. Government must learn to live within its means. We should not add to the burden on Minnesota families by raising their taxes.

Moreover, the well-being of the people we serve depends on their ability to have good-paying jobs. That, in turn, depends upon the willingness of companies to invest, stay, and grow in Minnesota.

However, Minnesota's tax policies, job climate, and large government discourage economic growth.

We need to reduce taxes and regulations that discourage job growth, income generation, investment, entrepreneurial activity, research, and exports. We'll need to do that in a manner that also leaves us with a stable state budget.

Our current tax system reflects the economy and demographics of the 1960s. It's outdated and needs to be fixed.

So I'm announcing that I will create the 21st Century Tax Reform Commission that will recommend tax reforms for our 21st century economy.

Unlike the State Budget Trends Study group that is already under way, this commission will specifically focus on improving our job climate by reforming Minnesota's tax laws. Job providers,

entrepreneurs, private sector employees, investors, and others who actually have direct experience in creating private sector jobs will be members of this commission.

In the meantime, I still have an important tool to restrain taxes and spending. I call it the taxpayer protection pen, otherwise known as the veto pen.

As you know, I will not hesitate to use it to stop government from digging into your wallets.

We should also protect homeowners from unreasonable property tax increases. So once again, I call for Minnesota to join the many states that have capped property taxes.

We also need to support entrepreneurs and small businesses because they are so vitally important to our economy. They create the vast majority of new jobs. That's why I'm asking the Legislature to approve my Strategic Entrepreneurial Economic Development, or "SEED" initiative.

SEED will help new business startups and grow new jobs across Greater Minnesota.

We must also support our cornerstone industries. Two leading examples are agriculture and mining.

Today, one in five Minnesota jobs are related to agriculture, food processing, agribusiness, or related industries. Minnesota can't be a successful state unless our farmers and agricultural sector is stable and growing.

Commodity prices are pretty good overall and, after some tough years, our livestock sector is showing some signs of resurgence. I'm very happy to be the governor of a state with 13,000 more dairy cows than just a few years ago. The state's dairy industry is producing more milk and receiving better prices.

But we can do more.

With fewer and fewer Minnesotans having a direct family connection to the farm, it's important that policymakers take the time to appreciate and promote agriculture in Minnesota, no matter what part of the state we're from.

We can also provide more direct support to farmers in a variety of ways. One way is to continue to support biofuels and other forms of farm-grown energy.

Most importantly, we need to help our farmers by doing all we can to keep their input costs such as energy, fuel, regulations, and taxes, as low as possible.

Our mining sector, after a long history of highs and lows, has also rebounded well. The dramatic need for steel in Asia has raised the worldwide demand and price for taconite. That has made Minnesota's mining assets much more valuable. The reinvestment in Minnesota's taconite mines and the resulting increase in jobs and economic activity is terrific.

More companies are planning to bring more jobs to continue this "Iron Range Renaissance." More private investment is taking place

now on the Range than in decades. I look forward to making these projects a reality.

We all agree our future depends upon a modern and efficient transportation system.

We've made strides in this area, including investing more in roads over the last five years than ever before and developing the Northstar rail that we hope will eventually reach St. Cloud.

Just a few weeks ago, I announced my bonding proposal that includes four times more funding for local roads and bridges than ever before.

I would caution legislators not to delete this important funding from the bill to insert less important projects.

Strong differences of opinion exist regarding transportation funding. But we all agree on one thing we cannot continue the stalemate that has existed for three decades. I remain hopeful we can overcome the politics and rhetoric of this debate and pass a bipartisan transportation bill this session.

An area of great promise this session is health care.

Our job market, our families, and our government budgets are badly straining under the weighty costs of our health care system.

We need to make health care more affordable.

An excellent discussion has been going on between my administration, legislators of both parties, and health care stakeholders and reformers. I'm hopeful that a bipartisan

agreement will soon be reached to dramatically reform health care in Minnesota.

The heart of the reform is to improve health care productivity and quality by restoring the relationship between doctors and patients.

These days it seems the exam room is crowded with accountants, lawyers and administrators.

The reform will change the way we pay for health care. Currently, we pay doctors for the number of procedures they perform. Instead, we should pay for quality of care and better health care outcomes.

We can also lower costs by encouraging electronic medical records, uniform billing procedures, and by taking more aggressive steps to prevent and treat chronic conditions such as asthma, diabetes, obesity, heart disease, and cancer which account for the vast majority of health care costs.

As these cost containment strategies take hold, savings will be used to help hold down premiums. Some of the savings will also be used to extend health care insurance to more of the uninsured.

Minnesota is the best state in the nation to lead the way on major health care reform. Let's show the country how to do it right.

All of us understand that the most important ticket to the future is the quality of the education our children receive. We should be proud of our Minnesota schools and educators. They have served

us well. Our average student performance is at or near the top in most key measures.

However, we all know those averages don't tell the whole story, and that there is real room for improvement in our schools. There is much to be done, but let me outline a few proposals to help our students and the wonderful educators who dedicate their lives to teach them.

We know the most important indicator of how a child will do in school is the degree to which their parents are effectively engaged in their lives and their education. We should certainly promote, in every conceivable way, parent involvement and parent responsibility.

The second most important factor in determining how children will do in school is the effectiveness of their teachers.

We need to improve teaching and should start by expanding the talent pool for public educators in Minnesota. The teaching profession is no longer consistently attracting top talent through traditional career pathways. Predicted shortages of teachers with needed backgrounds like math and science are beginning to materialize.

Careers no longer progress in traditional or linear fashion in many instances. We need to do more to attract the best talent by encouraging and allowing mid-career professionals to enter the teaching profession with greater ease.

We should also do more to attract the most talented young people to teaching. We need to make it easier for such rising stars with needed subject matter expertise to have an alternative pathway into the profession, even though they may not have majored in education. Part of the attraction for these individuals will be a chance to spend some of their career in public service.

We will have a proposal to begin training a group of these new teachers and get them into the classroom as soon as possible. I am hopeful that the Legislature will support this important effort.

We also need to improve teacher training and evaluation. Rigorous and effective teacher training makes a big difference in student performance, and the current system of ongoing teacher training needs to be dramatically improved.

Much needs to be done, but let's prioritize by focusing on the area of most acute need and highest impact training for math and science teachers.

I'm grateful that last year the Legislature included funding for our regional math and science academies. However, we did not receive the amount needed or requested. These academies will give teachers specialized knowledge and enhanced skills that will improve student performance. I am asking that the funding for these academies be increased by 50 percent over the current budget level.

I am also proposing that we design and deploy a world-leading summer training institute for Minnesota's math and science teachers. The institute would feature world-class training in

teaching methods, curriculum, technology, and subject matter mastery.

We should start by training 1,000 teachers over the next two summers. The entire cost would only be a few million dollars, but it will pay big dividends.

We also need to improve teacher evaluation and accountability.

In our current system, teachers have probationary status during their first three years. During that period of time, regular reviews are usually conducted and improvement plans are instituted.

However, once teachers receive tenure status, evaluation and accountability diminish in many districts across Minnesota.

We need to implement a system of post-tenure review. We can design this system in cooperation with the teacher unions, but it must get done. It should include annual evaluations, access to additional training for improvement, and a reasonable amount of time to correct deficiencies.

We also need to come to grips with the fact that most of our kids are leaving our school system in the dust when it comes to use of technology.

The power and efficiency of technology has hardly been tapped in our public K-12 system, but it's transforming almost every other institution and aspect of our lives.

You've heard me speak many times about how our school system needs to become an educational "iPod." We need to offer

children with different backgrounds, learning styles, aptitudes, interests, and learning speeds a semi-customized supplement to their traditional learning environment through technology.

The economies of scale, variety of course offerings, quality control, and student attention-grabbing features of technology will revolutionize education within twenty years. The question for Minnesota is whether we want to lead or follow in this area.

I encourage anyone here to purchase or download one of today's state of the art video games with enhanced graphics and sound. Imagine that power being applied to fourth grade math or tenth grade social studies.

Let's get started by developing a world-class, digitally-stored, always-available, anywhere, anytime, jaw-dropping, eye-popping teaching toolbox accessible to all our teachers and students.

This would not be a state mandated curriculum. Rather, it would be a resource for students, teachers, and districts to use voluntarily to ensure they have access to the highest quality curriculum anywhere.

Students could access it to get extra help, complete a course, take an exam, get credit, and speed ahead.

Right behind me, the Mississippi River flows gently by St. Cloud.

About a hundred miles or so north of here, it's a creek you can walk across. More than a thousand miles to the south, it's miles across. It's a river that's always changing, making its way around every obstacle in its path to the sea.

Like our river, Minnesota starts humbly but has an unstoppable forward momentum toward greatness. We're the headwaters state, justly proud of all the amazing things that have started here for 150 years.

As the elected leaders of Minnesota, the energy of our people moves us forward. We need to stay within the banks of their values. We need to look downstream and prepare for the challenges we face.

And if we do that together, we'll be able to say – on the far side of all these current troubles – “Well ... we made it.”

May God bless you and may God continue to bless Minnesota for our next great 150 years.