



Speaker Sviggum, President Spear, Chief Justice Blatz, Members of the Supreme Court, Chief Judge Toussaint, Former Governors, Lt. Governor Schunk, Fellow Constitutional Officers, Legislators, Commissioners, Members of my Family, Friends and Minnesotans...

“THE STATE OF THE STATE IS GREAT!”

I come to the House chamber with great respect to deliver the 1999 State of the State Address for the State of Minnesota 120 days after our general election. In an era marked by professional political machinery that surrounds both candidates and elected officials, I began in a very unique position. I went to the transition office in the basement of the Capitol alone the day after the election.

I brought my convictions, borne of life experience, the freedom of having made no promises on the campaign trail that I couldn't keep. I brought my commitment to learn and become an excellent governor. I brought a belief in my ability to build and lead the best executive branch of government this state has ever seen...the most honest, the most service-minded, the most accountable, the most committed to results for the people of Minnesota.

I also brought to the job three fundamental beliefs that are very, very important to understanding how I will govern:

First, said best by Abraham Lincoln -- the role for government is to do only what the people cannot do for themselves. There is not a person in Minnesota who does not wish to individually pursue the Constitutional entitlements to life, liberty and the pursuit of happiness. Government should promote this type of self-sufficiency, not stand in the way. There is, after all, a place for common sense and restraint. We can't legislate against every stupid thing people will do, and yet the temptation is there to try time and time again. Every time government burdens the people with nonsense like rules that dictate how to butter bread in nursing homes – and believe it or not, that is a real government regulation -- we remove any incentive for doing good work.

Second, I believe in personal responsibility and self-sufficiency.

The State of the State is jeopardized by this weak notion that taxpayers must step forward to provide nearly unlimited resources to anyone who faces adversity ... who lives with circumstances they brought about through their own decisions ... or who lives with consequences of choices to act illegally.

I stand before you as Governor willing to say what too many politicians at all levels of government have been scared to say: the free ride is over.

The election debate was littered with promises of tax cuts, but how in the world can we accomplish that if we don't reform an expectation for “entitlements?” You can't convince me that people value something that they get for free more than something that they earn. It



is hard to say “NO,” but we elected leaders must learn how if we intend to accomplish greater things for Minnesota. Public funds spent on investments, like education, rather than direct entitlements will benefit everyone now and in the future.

And finally, I believe that greatness in this state can only continue with an active, involved citizenry.

After years and years of apathy and cynicism about this democracy, we Minnesotans were desperate for a reason to care again. I felt it...my wife felt it...our friends felt it...and we all saw it standing in long lines at the polls on election night. It was the thing that made me step up to take my turn at running for Governor against all odds. I felt that hunger on every street corner on the campaign trail. The legacy of this administration will be provoking people out of their apathy. It's not my job to make people feel comfortable. That's old “promises politics.” I'm here to provoke people into feeling what is honestly in their hearts and on their minds and taking some action. That's why I'm going to keep asking questions, and why I'm going to demand some answers. Working real hard, together, WE WILL NOT FAIL.

If you wonder where I am getting my support for this candid approach to governing, let me introduce you to some of the people who told me it was time for this new day in state government. Up in the gallery are two very important groups of advisors who gave this advice during the transition when we spent the first month listening and learning. (GESTURE)

Thanks are owed to the young people who came in during the second week of the transition and talked about their hopes for this new day. Thanks are also owed to the group of first time voters, randomly selected from the Secretary of State's voter registration lists, who spoke about what it will take to KEEP them involved. Legislature, please join me in welcoming these Minnesotans here today.

(PAUSE and address the gallery)

“People – this is your House of Representatives and Senate convened together for this address. We are YOUR elected officials...201 of them and one of me ...we are your public servants. It is my intention that during these years you will be welcome here --- more welcome than I was when I visited this chamber floor as a citizen last year – and was asked three times to sit down in a chair where I could not see anything. Let me tell you, it is good to have you here today – and it's good to be standing.”

To the first time voters and to the young people, I say again what I have said before: We dare not lose you. To the legislature, I utter this challenge – make this Capitol a welcoming place. Inspire the citizens in your home districts. Help your local elected officials run good, open meetings that are responsive to citizen input. Do the right things. Vote your conscience, not your caucus.

The State of the State is that the people are very tired of business as usual.

One way or another, there will be more than 70 percent voting at the polls in the next election and the one after that. The people will either come out to keep their governor, their legislators, their congressmen, their mayors, county commissioners, and school board members – or oust us. But they are awake, and Minnesota will be greater for them exercising the right to vote. Generations of Minnesotans have fought to protect that right on American soil and around the world.

- I want to see an active PTA in every school building, not just the 300 that are left today.
- Chambers of Commerce where the room is full of PRIVATE sector business people who are not outnumbered by public employees,
- Youth groups like 4-H and Scouts and after school clubs full of interested kids and their parents who want to make a difference for themselves and others.
- Active veterans groups serving those who have served.
- And a renewed interest in volunteering for service clubs, local chapters of state organizations, and neighborhood efforts.

The State of the State improves every time a citizen, young or old, gets involved. This is the State of the State as I see it at the end of the Transition months.

Regarding the State of the Minnesota government, I am well qualified to give this Address today – in fact, I will venture that I am more in touch with state government than any Governor in recent times at this point in my term. I set foot in every department and major agency, met with the staff, met many employees who do the real work of serving the people, and laid hands on their budgets personally. I met employees who had worked 30 years for the State and never met a Governor. It should not be a “shock the world” event when the Governor visits the State Department of Revenue.

Ladies and gentlemen, the first job of the Governor is to run the Executive Branch of government. We are working very hard to span a tragic disconnect between the Capitol building and the 26,000 state employees who perform the functions that are authorized and appropriated by previous legislatures.

How many of you here were newly elected this year? PLEASE RAISE YOUR HANDS. Fully 15 percent of this legislature is newly elected. Like you, I had eight short weeks to get ready for consideration of a \$33 BILLION expenditure of the people’s money. How many of you – all of you, not just the newly elected legislators – have taken time in the last year to personally visit every department who’s budget you will vote on? It took me one month to see all of this huge state government.

We must reform how we do business. We must reform the tendency to vote first and learn later. Or, worse yet, never take the time to learn and simply fall in line behind a caucus position for bargaining purposes.

The Constitutional Separation between the Executive and Legislative Branches of Government is not intended to be one born of partisan, adversarial politics. We each have a very distinct job to do in a healthy process of checks and balances.

Within one week of my election, I set three top priorities: budget, budget, budget. There was no other choice; the system requires that the budget books be submitted by mid-February. I led that process. I don't care what the media decided to focus your attention on – that's what I was doing. It started with budget principles that are clear and written down for everyone to see. Today I am releasing mine to you in a handy wallet form, and putting them on the website for public use.

They boil down to this:

Be fiscally prudent -- never, ever forget it's the public's money

- Do what's necessary...not what's nice to do.
- Prevent future costs where possible.
- Insist that projected budgets are balanced for four years
- Set a responsible budget, live within it, and settle-up any actual surpluses with taxpayers at the end of the biennium. (On this point, let me just acknowledge the incredibly large elephant standing with us in this room. As soon as you're ready to send me a sales tax rebate bill, I'm ready to sign it and get on to permanent income tax cut discussions.)

Do the right things and do them well.

- We must start evaluating programs for results.
- We can't ever hesitate to reform or eliminate programs if they aren't producing results.
- Every new program should automatically have a "sunset" clause that forces proper evaluation.

And finally, we must create incentives, not penalties, for individuals and governments to do the right things.

- Competition works and is even good in government.
- We need to put responsibility and accountability together at all levels of government.
- We must move decisions to the level closest to the people...no unfunded mandates from one unit of government to the next.
- We must creatively leverage private and non-profit support. No more one to one entitlement thinking – we need to use investment thinking where one dollar begets 3 or 5 or 9 more...just like in tourism.
- And my administration will support fees over general taxes where users have a voice in the rates and the program results.

When you bring your ideas to my administration, be you a citizen, or a lobbyist, or a legislator or a state employee, bear these beliefs and principles in mind. For as long as I am Governor, there

will be no surprises about why I am signing or vetoing legislation. Simply look at this list and my rationale should be abundantly clear. These are my beliefs and principles unless I am convinced through a visible, public debate that they need to be changed.

Already, I see the problems clearly. First, the executive branch is the only one that enters the legislative session with a budget that reveals a whole picture of tax and spend. We base this on the November economic forecast. However, eight weeks into the Session, neither the House or the Senate has yet to reveal its spending targets and choices in an accountable way to the people.

Until we stop measuring the success of a legislative session by how many bills are heard or passed, there is no hope of controlling spending or the sprawl of government regulation. It's my job to set a vision, not flood this place with pieces of legislation. It all starts by staying honest to the beliefs and principles that I have presented in this State of the State Address.

The State of the State is in good hands. The Governor's Office has been restructured to support the works of these commissioners and directors...not the other way around. They are here seated in the center section of the gallery. Public sector, private sector, Democrats, Republicans, Reform Party, unaffiliated. What binds us are beliefs in a new day where ideas -- not money -- govern how we work. Who speaks for me? They do. With years of experience, good judgment, and a strong sense of what needs to be done to serve the people. That is my leadership commitment to the people of Minnesota -- to hire the best and brightest and lead as every good CEO leads -- by articulating the vision, by stating clear expectations, and by holding people personally accountable through good management practices.

(PAUSE)

SINCE THE STATE OF THE STATE IS GREAT...THEN WHERE DO WE GO FROM HERE?

Any good competitor knows that when you're ahead, you don't rest on your laurels. Don't get nervous or defensive. You continue to do what you do best, and hold the lead. It's time to focus on staying competitive and position the state to keep winning even when the challengers get tougher. Three years from now, I want my State of the State speech to start out the same way this one did: that the State of the State is, indeed, great and got greater during the Ventura Administration. I didn't come here to tinker around the edges of things that need fixing and I'm willing to tackle the big questions.

QUESTION ONE: Do we have the courage to end this era of cynicism and tackle honestly the things that have caused too many people not to trust government? The first-time voters and young people's focus groups were the start of listening, learning and leading our way into a new day with meaningful reforms and a new, positive attitude toward public service, not politics. As Lincoln said, "With public trust everything is possible. Without it, nothing is possible." That's why I tell my staff and the cabinet: consider each issue on its own merits; no "deals;" and always tell the truth so you don't need a good memory.

QUESTION TWO: Who is responsible for urgently helping the children who aren't going to pass the Minnesota graduation standards tests in June, 2000? The goal of this administration is to build the strongest public education system in the world...but it is only as effective as the resolve of every parent to step up and be the first and most important teacher a child will have. On that I will not give an inch. It's so easy to blame the governor, the legislature, teachers, the school board – when in reality nothing is successful without every parent making good decisions, every day, in the best interests of each child. Last month I recommended nearly \$600 million in new investments in K-12 education, including a very important incentive fund of \$150 million for reducing class sizes Kindergarten through Grade Three. It is my goal to erase the word voucher from the vocabulary by investing in public education and expecting local school boards to deliver results.

Now the biggest questions lie ahead.

- How can we create a performance-based funding system for Minnesota schools which ends this complicated funding “shell game” that nobody can understand any more?
- How can the state give incentives for schools and teachers and students to do their best without micro managing from the Capitol?
- What will local elected leaders do in every school district to make their public schools the strongest they can be into the 21st Century?

To get a jump on these tough questions, we're turning to experts. We do things a little differently in the Ventura Administration. We're going to start by listening to – get this – KIDS! Education Commissioner Christine Jax is planning a conference just for students to take out the politics and listen to the very powerful voices of the little people who know schools best. Lt. Governor Schunk is traveling Minnesota visiting and listening to students, parents and teachers. By this time next year, I will offer this legislature a plan for funding and policy reforms.

NEXT QUESTION: If there aren't six people left in the State who can explain the property tax formula, and none of them think it's fair, why don't we start over? Let's face it...we've lost any logic to this system. Property taxes no longer are tied to the services that are delivered. We have created a so-called “progressive” tax based on the value of property. It punishes people for doing the right thing. If I keep up my property, my value and taxes go up even though I don't need as many local services as the property that has been allowed to deteriorate and needs inspections, fire protection, or police patrols. It's time to quit taxing senior citizens out of homes that they own, and force them into nursing homes or assisted living. It's time to confront the inequities of how we fund public schools, and how unfair that is to children and taxpayers in communities all over Minnesota. Even well-intentioned “fixes” end up making the system more

complicated, and one taxpayer's fix becomes another taxpayer's problem. Reforming the property tax system is one of my administration's highest priorities.

HERE'S ANOTHER QUESTION: What other tax reforms need consideration? We need good reforms that are actually put in place rather than sit on a shelf somewhere. Revenue Commissioner Matt Smith has the job of untangling this complicated question through a combination of research and public involvement. We need to pay careful attention to defend our economy against competition from neighboring states and world markets. It doesn't take much for Minnesota consumers to migrate over the borders where sales tax or motor vehicle license fees are lower. Our taxpayers are also calling for income tax relief, and that demands both immediate and long-term response from government. We will follow through by tough discipline on spending and action on tax reforms.

QUESTION: How do we prepare our economy for the future?

Under Trade & Economic Development Commissioner Jerry Carlson, there is a new strategy to market Minnesota. The vision is as big as the world, and my administration intends to work with interested businesses and communities to expand exports and increase investment in Minnesota.

The strategy is about selling tourism and business development, developing export markets, attracting films, licensing technology, and creating opportunities. As Governor, I am not an ambassador out there to make people feel good. I'm a salesman – I'm out to sell results. When I travel abroad, it will be with a serious economic plan, well thought through. The trip planned for fall to Japan is the first effort. Some of you may know that Japanese television carried my inauguration on national television. With such interest in Minnesota, I would be foolish not to explore that interest for the betterment of our entire state's economy.

The urgency of my administration's strategy for new market development is seen most in the agricultural part of the economy. Short term money relief will not solve long term agricultural problems. The commissioners of Agriculture, Trade & Economic Development, Commerce, Finance, and Revenue are working side by side to invest state tax dollars in projects and programs that truly achieve economic self-sufficiency. Yes, it is right to step forward and ease a crisis that affects a specific group of farmers. I have recommended 10 million dollars in targeted relief for that purpose. My cabinet's recommendation is to provide relief over the next few years because this is not a one year problem. Commissioner Gene Hugoson is entrusted to address the long term needs with a vision that goes beyond the current crisis to get results for agriculture. I am willing to invest an additional \$50 million, for a total of \$60 million, in relief over the next three years to help farm families who are truly in need.

ANOTHER BIG QUESTION: Why don't we have a transportation system that works after 25 years of investing in planning? I want to stop planning to do something about transit and urban

sprawl and get something DONE. Our roads have grown more congested and the Twin Cities region has become one of the most sprawling in the country. In Minnesota, every day an area the size of the Mall of America gets paved over, and we're still "planning" to do something about transit and sprawl. I want a transit system that gives people choices, so they can get where they want to go, when they need to get there. I'll know we're successful when I can ride light rail from downtown Minneapolis to the Megamall, and take commuter rail from St. Cloud to the Twin Cities. It's time for action on transportation, and it's in the hands of Metropolitan Council Chair Ted Mondale and Transportation Commissioner El Tinklenberg to develop an action plan that makes sense for the whole state.

AND THE LAST QUESTION IS: What do we do with the one-time tobacco money?

My commitment to endowing the tobacco settlement money is tied to my belief in self-sufficiency and improving the lives of Minnesotans. My resolve to endow the money has grown even stronger since last week when I joined all the national governors in a meeting with President Clinton. He made it abundantly clear that the federal government will demand reimbursement for medicare from the proceeds of the settlement if it is not used for human services and health care purposes. These payments, totaling \$1.3 billion over five years, are a windfall to the state of Minnesota...not an overcollection of taxes. It is a once in a lifetime opportunity to invest in ourselves and our future. I am proposing four endowments that protect the principal entirely. The interest earnings would be spent in four areas of self-sufficiency:

- The Minnesota Families Foundation to help individuals and families reduce their dependency on government.
- A Local Public Health Endowment to support local public health networks.
- A Health Professionals Education and Medical Research Endowment to support the education and training programs, and medical research, of the University of Minnesota and Mayo Clinic.
- A Medical Endowment to support teaching hospitals and clinics around the state and ensure that important medical research on serious health issues takes place.

It is my hope and expectation that this legislature will consider and agree that there every reason to invest these resources for the betterment of our health and all of humanity.

WHAT PRICE TAG GOES ON YOUR HEALTH?

In summary, here is my vision as your new Governor:

ONE – I want the best public education system in the world, including higher education.

TWO – I want a smaller, more efficient government. I envision a more simple tax system, a more strategic and successful state government working in partnership – not against – local units

of government, and a unicameral legislature that spends at least one year out of four cleaning old and intrusive laws off the books.

THREE – I want trade and economic development to be the engine of my administration.

FOUR – I want to ride a train by 2002.

FIVE -- I want every person hearing this speech to invest what you can do for yourself. This notion of self-sufficiency is far from a new idea – it's a Minnesota idea. It's in our roots and in the character of the people.

Most of this address has focused on providing first impressions of a Centrist Reform Governor in the early days of a new administration. But I wish to close today by honoring five people I met during these past months who are also reformers. What struck me is that they are people who cut a path of their own – they are reforming the world immediately around them by what they do and how they do it.

Today, as we celebrate that the State of the State is great, let us celebrate five people who are reforming Minnesota for the better every day through their good works...one for each of the months since the election. They are here today to receive the first Governor's Awards for a Better Minnesota.

Seated in the gallery – and I would ask that you rise to be recognized as I call your names:

Last month I had the privilege of presenting the Minnesota Health and Housing Alliance Caregiver of the Year Award to Johnnie Penrod for 27 years as a nurses' aide at the Masonic Nursing Home in Bloomington. Any of us who has ever put a parent into a nursing home hopes that someone who is as compassionate as Johnnie was there when we could not be. Every caring word spent in these years of service has made Minnesota a better place.

Joe Lynch, 14 years old, is an 8th grader at St. Bernard's school in St. Paul. Joe was one of the students who believed in and built a playground last summer against all odds. When the adults backed out, worried that a playground would attract gangs and violence, four teams of young believers stepped up to work on fundraising, a location, equipment, and safety issues. With help from the Humphrey Institute's Public Achievement project and many businesses and St. Paul leaders, there is now a better place on the corner of Geranium Street.

Lyle Haroldson of Boyd, Minnesota organized the Prairie Farmers Cooperative with other pork producers who wanted to become self-sufficient. With prices at crisis lows, Lyle helped 80 Minnesota farm families rally under a vision of building a hog processing facility near Dawson. The major emphasis will be on value-added items that satisfy a consumer market. When this project is done, there will be 45 new jobs and great promise for a better future for 80 farm families.

Twice during the transition, I was invited to see research projects at the University of Minnesota. One of those trips was to the Cancer Center, where I met dedicated researchers seeking new ways to prevent and cure disease. While this Capitol building preoccupies itself with talk of tobacco settlements, Dr. Dorothy Hatsukami is unlocking mysteries about nicotine addiction. How and why do some people become addicted? These and other answers from her fellow researchers are making Minnesota a better place.

Minneapolis is a better place because of Sam Costa. In January, I was invited to attend a celebration at Powderhorn School honoring Sam's role in the life of that neighborhood. A teacher and choreographer, Sam has touched the lives of many, young and old, in ways that will never, ever be forgotten. Sam served on the Partners: Arts and Schools for Students (P.A.S.S.) and Minnesota Dance Alliance boards. He founded the Twin Cities-based contemporary repertory dance company, 10,000 Dances, and served as the Artistic Director of Young Dance, a Twin Cities' youth dance company. We honor you today for making your corner of the world a better place.

Please join me in recognizing these outstanding Minnesotans.

(ADDRESS THE GALLERY AGAIN)

First time voters, young people, and honored Minnesotans – I offer you these thoughts with great respect that the future is much more in your hands than in mine – or this legislature's. You and the other people must speak to tell us whether you will participate to make this new day truly work in Minnesota.

It's been said that "The world belongs to those who show up."

Thank you for showing up today. I, too, am very happy to be here.
Thank you.