

Good afternoon.

I'm glad to get the opportunity to talk to business people today.

The reason I'm glad is that recently some big Fortune 500 businesses in Minnesota were complaining about my tax plan.

I couldn't quite figure it out. For years they have complained about high income and property taxes and now I come along and substantially cut them and still, executives from these big companies complain.

Well, the fact is I didn't design this tax plan for Fortune 500 companies.

I designed it for the people.

People like you who own businesses.

People who go to work everyday and open the front door of their own shops.

People who have to write their own checks to the County Treasurer every May and October.

People who when they retire don't want to be property taxed out of their homes.

People who run shops on Main Street and are concerned about losing business to phantom internet sellers.

People who own farms, businesses, and recreational property, but are paying a disproportionate amount of local education costs.

People who work hard every day but still can't afford to own a home.

And finally, for people who are tired of government growing faster than their own paychecks.

This tax plan is for all these people.

But change can be scary. And change this big tends to bring out the protectors of the status quo.

Since I announced this plan in January I have been informed that my budget is nothing less than a "disaster," that the "sky is falling," and that this budget will inflict "great pain" on all Minnesotans.

My goodness, if you listen to the protestors you'd think that if my budget passed I might have to call out the National Guard and declare Marshall Law.

But in fact, much of the extreme reaction you hear is the fear of change.

Objective observers are fairer.

Just last week, in the Wall Street Journal, the executive director of the Federation of Tax Collectors said that my tax plan "meets most precepts for sound tax policy you'd find in text books."

My administration worked hard on this plan and it shows.
However, it is more a "Package" than a plan.

It's major tax reform with major tax relief.

It's a package that reworks our tax system so it is fairer to you as taxpayers and makes Minnesota business more competitive in local and world markets.

It's a package that must be viewed in all its parts.

It's like a fine woolen sweater that if you pull out a thread or two the sweater will fall apart.

The two major threads in this plan are limited spending and the expansion of the sales tax.

If you spend more than my recommended budget, the sweater will lose an arm.

If you don't expand the sales tax to services, the sweater loses another arm.
And then you have a vest.

A vest that:

- Will not cover you during the cold of an economic recession,
- Will not reduce commercial industrial property taxes,
- Will not reduce farm and timberland property taxes,
- Will not reduce property tax for senior citizens,
- Will not bring greater accountability to local government, and
- Will not reduce the cost of government to the people of Minnesota.

This is a bold budget that will provide a secure tax foundation in the new economy but also a responsible budget that will not allow government to grow faster than the rest of the economy.

And let me emphasize that this budget does not cut our education budgets.

This budget will allow for an increase of about \$56 million dollars over the \$1.2 billion the University of Minnesota gets every biennium and \$47 million for the Minnesota State Colleges and Universities on top of their current state appropriation of 1.1 billion per biennium.

Also, I am proposing an additional \$30 million dollars in financial aid targeted to part time and non-traditional students who don't enjoy the same access and affordability our current financial aid system provides to other students.

In addition, I am proposing \$14 million dollars specifically to attract potential teachers and health care workers to higher education and training, and \$4 million more for tuition for National Guard members.

This budget allows total revenues available to K-12 school districts (over 8 billion dollars in 2001) to increase by 2.6% in 2002 and by 3.7% over the 2002 base.

A base, by the way, that contains the \$1.3 billion dollar increase from the last biennium!

This budget asks a lot of K-12 education. I know that.

But I think it is about time that we ask the tough questions.

When you watch school district administrators and teachers manipulating little kids to appear as victims of Governor Ventura's budget, ask yourself this question:

Why doesn't someone point the finger back at the administrators and ask them why they spent more money on labor contracts than they had in their budgets?

Did the Administrators have these kids in mind when they settled labor contracts at rates higher than their budgets could support?

Last night on the TV news suburban teachers and administrators portrayed me as the "evil governor."

Let me say this to the parents of those kids:

Please do not let these people use your kids as pawns in this budget debate.

When the school district sends home a letter saying the sky is falling, keep in mind that the sky started falling last year when your district settled its labor contracts without regard to how much money they had in the bank.

The TV cameras love to capture the sad faces of the kids who according to the teachers and administrators will suffer because of the "Ventura Budget" but how about putting the camera in their faces and ask this:

Are you as administrators using these kids as cover for your own management decisions?

Let's face it, managing schools like governing a state is a tough job that requires tough decisions.



I have made some tough decisions on this budget and I have yet to hear anything that would cause me to walk away from this budget.

As taxpayers I hope you will join me in asking your legislators how much longer are we going to let this go on.

It's time to correct a big problem. Its time to require school districts to have structurally balanced budgets.

There is a bill in the legislature that would do just that. I am in full support of it, and I hope you will support it also.

Enough is enough. It's time for honesty and accountability. And for sure, it's time for adults to stand up and debate these issues without using innocent kids as pawns in a game of deception.

Finally, let's keep debating this budget. Because contrary to the conventional wisdom this budget is not dead. But as we debate it keep thinking about that sweater.

Help me keep the sweater a sweater. Because if we don't, this tax package could become just another band aid, instead of a solid comprehensive tax reform that will benefit our state's main street business, farmers, senior citizens and families for years to come.

Thank you.