

Good Afternoon.

I'm sure that some of you came here today to have a good lunch.

Perhaps others came for the food and the camaraderie.

But I bet most of you came for the food, the camaraderie and to hear me explain what's going on at the Capitol.

Well, I hope you are enjoying your lunch and the camaraderie, because explaining what's going on at the Capitol is not likely to be an enjoyable experience for any of us.

Maybe you already have it figured out.

Maybe you can tell me why Roger Moe, the Democrat, got into bed with Steve Sviggum, the Republican, and after a very short nap, passed a highly acclaimed budget balancing bill that;

- didn't come close to actually balancing the budget,
- probably violated the constitutional concept of separations of powers,
- cut the Governors office by 15 % and their own budget by only 3 %,
- used virtually every last dollar in state reserve funds except for the \$12 million dollar stash they are hoarding for themselves,
- causes the state to enter the next budget cycle flat broke,
- has no plan to restore the rainy day funds,
- will likely put our triple A credit rating in jeopardy,
- concentrates spending cuts on state government rather than spreading them out to all levels,
- ignores the long term structural deficit,
- ignores inflation,
- ignores common sense, but finally,
- it does not, and I emphasize-does not-ignore politics.

And then there is phase two.

Phase two, according to the Senate and the House will tidy up all of the above and lay the ground work for "phase three" which will address the long term structural balance.

However, it now appears doubtful that they will ever get to phase three.

My best guess is that they will try to work out the final details of the short term quick fix and then get out of Dodge before the people can figure out what's up.

For the life of me I cannot figure out where the public employee unions have been. Has anyone here seen them?

How about Education Minnesota?

When are these groups going to figure out what this legislature is doing to them? Have union leaders figured out yet that there has been no final action on the ratification of the collective bargaining agreements?

Have union leaders figured out that the legislature has ignored the inflationary factor for the next budget cycle and that is effectively a reduction in money available to education and other areas of government?

The Senate in their phase two is planning to correct some of the "problems" in phase one. Well that's fine but how are they going to pay for those "corrections?"

Taxes. That's how.

Taxes. You know that's the same word that Roger and Steve wouldn't have anything to do with when I suggested it in January.

But now Roger seems to like the word.

But the problem is, Steve still doesn't and most likely never will like the word.

So now the question becomes-what then?

Well, if this little problem doesn't end in the divorce of Roger and Steve I'll be very surprised. But then politics is a very powerful motivator.

I remember last January when I said that this was a serious problem that couldn't be solved with smoke and mirrors. Well, apparently I was wrong.

Because just yesterday the House announced its phase two budget fix.

Guess what? In phase one they used the tobacco prevention money for cash flow. But the problem is, in phase two they're using that same tobacco prevention money to balance the budget.

It could be that I might have smoke in my eyes but I don't get it.

Do these politicians realize that this problem is serious?

Do these politicians realize that they are heading down the path of a damaged credit rating?

Do these politicians realize that last week Moody's Investors Service put the State of Wisconsin on notice that their rating was in jeopardy for some of the same budget tactics?

Do these politicians understand that last week Moody's actually downgraded New Jersey's credit rating?

From the beginning I have asked the legislature to take measures to close the gap between ongoing revenues and expenditures. Incredibly, they can't account for money to pay for spending we already have and yet they continue to want to do even more spending and impose more mandates.

Am I frustrated? You bet. Especially when just about every economist in this state agrees that the legislature needs to make sure that we have a plan to restore our budget reserve. But it appears that it just isn't convenient to deal with such details right now. After all there is an election on the horizon and it is clearly more important to get out there and fill their own campaign reserves rather than deal with the taxpayers' reserves.

Everyday my staff points out to me the editorial pages of the local newspapers where they say Ventura's approach is right and he should work with legislators to do the right thing.

That, ladies and gentlemen is not as easy as it looks.

Just over a week ago a statement made by Senate Majority Leader Roger Moe reveals just how difficult it would be to get legislators to do the responsible thing.

Majority Leader Moe told Star Tribune reporter Patricia Lopez that:

"I understand where Ventura is coming from. I would do exactly what he is doing."

Why then is the legislature and Senator Moe not working with me on my more responsible approach? Why then did Senator Moe get into bed with Speaker Sviggum to consummate the quick and dirty fix?

Because, while the Senator said he would do exactly what I was doing, he was quick to follow with another very revealing statement. This one sounded more like Candidate Moe:

"Where it gets tough in this arena is you have to make these decisions in March of 2002--"

This is what we are up against--taking tough votes in March when there is an election in November.

It's that simple folks--politics and power.

When I ran for this office I said I would not let politics, or the lust for power get in the way of my decisions.

Unlike most legislators, and two who lust after my office, I have made the tough decisions in March. But if I decide to run again, and making the tough decisions in March cost me the election--so be it.

I will go back to the private sector and be able to look in the mirror and know that I played it straight, was honest, and had the political courage to make the tough decisions in March.

Thank you.