

I'm just going to throw out a few topics that I'd like some feedback on during this meeting.

I think if you look at the real basics of what my administration is trying to do, you can cut it down to five things:

1. Close the gap between expenses and revenues, now and in 04/05.
2. Rebuild the reserve with a real, effective plan.
3. Don't aggravate future years by accounting shifts or other gimmicks.
4. Make future cuts across all parts of the State's budget.
5. Fully fund all spending in new legislation after addressing those first four items.

Part of closing the gap of course is covering the \$440 million dollar hole we're looking at, but I think we should also be making a serious effort to close the 04/05 deficit. I'll be interested in hearing from all of you on what you think about that.

I'm also curious on your thoughts about what happens if we don't make progress on 04/05. What are the biggest liabilities we will face?

On top of that, the Legislature apparently plans to ignore inflation in the out years. Isn't that a cut? Are you worried about how that will impact you?

Here's another business question: Imation is expanding in Wahpeton, ND. I thought we improved our business climate with our property tax reforms. Why did Imation choose North Dakota? I'm curious as to how you view our business climate.

The Minnesota Chamber and others are actively working on the transportation bill. Do all of you support it and why?

A few other questions for you:

I see transit and commuter rail as the 20-year future. Do you?

My administration fully supports merging unemployment and economic development efforts (DES and DTED). The Legislature has blocked our work after two years of cooperation. Do you support our merger and are you willing to help us get it moving again?

It doesn't seem right to me that the Legislature is talking about new spending; gas tax for transportation, sales tax dedication for natural resources, memorabilia taxes for stadiums, while ignoring the gaping budget deficits. Am I missing something? Do you think we should trigger new spending when we can't pay the bills?

Last Item – Regarding my alleged lack of participation...I presented a complete budget fix in January, I met directly with leadership as they passed Phase 1, I've clearly defined my principles



for Phase 2, it is well known my commissioners and staff are readily available, and leadership knows exactly where my office is.

I'm ready to go as soon as they reach some agreement. They are trying to work it out between themselves. They traditionally are driven by the calendar. They have 17 more calendar days to complete their business.

I'm patiently waiting for them to get going. If they don't, then I'll decide what actions I can and need to take to manage our budget.