

Just over ten months ago, in my state of the state address, I delivered some very bad news to the people of Minnesota.

I warned that over the next two years, based on careful study of key economic data, the State of Minnesota would collect almost \$2 billion dollars less in taxes and fees.

I then laid out a responsible long-term plan to solve the problem. It was not easy—but I made the difficult choices.

Incredibly, I was immediately criticized by legislative leaders for having the courage to actually address the problem.

The Republican and Democrat leaders of the House and Senate began a campaign of deception, deceit, and demagoguery that has lasted to this very day.

I am standing before you, today, to tell you what I told you ten months ago:

The State of Minnesota is in a fiscal crisis of tremendous proportions.

It is a crisis that is projected to reach a deficit as large as \$3.2 billion dollars.

It is a crisis that could have been mitigated by responsible legislative action—but wasn't.

It is a crisis that doesn't get any easier to solve this January than it was last January.

To solve this crisis it will take more than a hiring freeze, more than a freeze on professional and technical contracts with private companies, more the closing down of existing state services, more than simply increasing revenues and more than the shifting, borrowing and scheming tactics used by legislative leaders earlier this year.

It is a crisis that will have to be shared by all levels of government and all the people.

It is a crisis that will mobilize special interest and fill this capitol with high priced lobbyists begging legislators and the next administration to spare their programs.

And therefore it is a crisis that needs courageous, determined and *truthful* leadership from state and local elected officials as well as the people of Minnesota.



We can no longer tolerate the politics of avoidance.

Of course, today—like ten months ago—legislative leaders will respond to this update with vague promises and claims that these projections are nothing more than political manipulation.

To that I say this: You were wrong in January and you are wrong now.

This economic update is not some political ploy intended to bring focus on election campaign—it is an objective confirmation that our fiscal crisis is not going to get better in November, February or a year from now.

It is confirmation that ten months ago your legislative leaders took you for a ride on a promise that “*things will get better.*”

Well, unfortunately it should be *plain as day* that our economy is not recovering as well as some hoped and “*things are not getting better.*”

Thank you.