

Statement on Minnesota's Financial Challenge

Minnesota faces an unprecedented financial challenge.

The Minnesota Budget Trends Study Commission (made up of tri-partisan appointments by the governor, house and senate), the state economist and state demographer, and non-partisan legislative researchers have all documented the nature and depth of our financial challenge.

Both in the near-term and over the long-run, expenditures will continue to significantly exceed revenue. This structural imbalance in Minnesota's budget is unsustainable, and must be addressed to secure the future of our state.

The reasons for this structural imbalance are varied:

1. Previous unsustainable tax cuts and ongoing spending commitments;
2. An aging and more diverse population that will require more public services, while generating less revenue to pay for those services;
3. Rapidly rising public health care costs that will not be solved by national health care reform alone; and,
4. A Minnesota economy that underperformed the national economy from 2004-2007, and is expected to match at best, or even lag future national growth.

Minnesota can not grow its way out of this unprecedented financial challenge as it has in the past. Decisive leadership is needed immediately to restore and sustain Minnesota's competitiveness in both our own country, and in the global community. Specifically, all of the following are needed:

1. A strategic and sustainable balance of both tax increases and spending decreases that will support ongoing public investment priorities;
2. Creation and maintenance of an appropriate budget reserve; and
3. A strict policy that the state will only spend an amount equal to the current revenues raised in a biennial budget period.

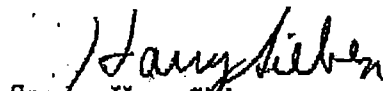
We, the undersigned, endorse this statement on Minnesota's financial challenge, and invite other Minnesotans to join us in supporting the need to enact a sustainable solution that will secure the future of our state:


Governor Al Quie



Governor Wendell Anderson



Governor Arne Carlson


Speaker Martin Sabo

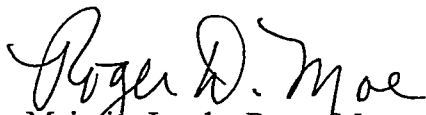

Speaker Harry Sieben

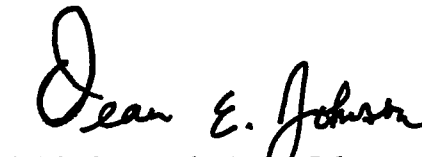

Speaker Dave Jennings


Speaker Dee Long


Speaker Bob Vanasek


Speaker Phil Carruthers


Majority Leader Roger Moe


Majority Leader Dean Johnson


Majority Leader John Hottinger