



# STATE OF MINNESOTA

## Office of Governor Tim Pawlenty

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

December 4, 2009

Senator Richard Cohen  
121 State Capitol  
St. Paul, Minnesota 55155

Representative Lyndon Carlson  
479 State Office Building  
St. Paul, Minnesota 55155

Representative Loren Solberg  
443 State Office Building  
St. Paul, Minnesota 55155

Dear Senator Cohen, Representative Carlson, and Representative Solberg:

Thank you for your letter of December 3 and your willingness to work quickly to resolve the projected budget deficit.

My administration is developing a range of options to address the estimated \$1.2 billion shortfall in the current biennium for legislative consideration without raising taxes. Our proposal will ask you to consider:

- Protecting funding for our veterans, military, and core public safety activities.
- Reductions in other areas of spending to achieve the needed \$1.2 billion cutback.

We invite your participation in this effort to find a collaborative solution.

I have asked Commissioner Tom Hanson and Chris DeLaForest of my office to contact you directly to discuss the development of a joint solution to the deficit.

Again, thank you for your willingness to address this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Pawlenty".

Tim Pawlenty  
Governor

c: Commissioner Tom Hanson, Minnesota Management and Budget



December 3, 2009

Dear Governor Pawlenty:

Yesterday, Minnesota was presented with its most pressing challenge. Like you, we agree that the \$1.2 billion deficit facing the state during the current biennium is "significant." As you indicated, the sooner we balance our state's budget the more options we will have to protect the basic services that are the engine of Minnesota's economy such as access to health care and a quality education.

The Legislature is ready to begin work immediately. We request that you submit your budget recommendations quickly and advise us when we might expect them. It is critical that the Legislature receive your supplementary budget recommendations as soon as possible in order to begin crafting a balanced budget.

It is apparent that Minnesota has a permanent deficit that will not go away on its own. It is up to us to work together to craft a balanced budget to preserve Minnesota's quality of life, grow jobs and lay the foundation for economic growth.

Sincerely,

Handwritten signature of Lyndon Carlson in cursive.

Representative Lyndon Carlson  
Finance Committee Chair

Handwritten signature of Senator Richard Cohen in cursive.

Senator Richard Cohen  
Finance Committee Chair

Handwritten signature of Loren Solberg in cursive.

Representative Loren Solberg  
Ways and Means Committee Chair

Cc: Commissioner Tom Hanson, Minnesota Management and Budget



**LCPFP Subcommittee on a Balanced Budget**  
**Monday, December 14, 2009**

**Proposed Constitutional Amendment Example** *(Revised)*

The Governor proposed an amendment to the Minnesota Constitution that would limit spending for the current budget to the level of actual revenues for the prior biennium. The following requested example determines what level of budget reductions would be needed for FY 2012-13 if spending were limited to current projections for FY 2010-11 revenues, assuming 100% of the FY 2010-11 deficit is resolved with permanent reductions to FY 2011 spending.

- FY 2012-13 spending would be limited to \$29.986 billion.
- FY 2010-11 spending reductions of \$1.2 billion would carryforward as permanent spending reductions, thereby reducing planned spending for FY 2012-13 from \$38.644 billion to \$36.239 billion.
- FY 2012-13 spending be further decreased by \$6.253 billion, from \$36.239 to \$29.986 billion, beginning in FY2012-13.
- FY 2012-13 spending would decline by **18.5%** relative to the revised planning estimates after FY 2011 cuts, and **23.9%** relative to current planed spending, assuming no reductions to debt service, capital projects, or 'other'.
- The reductions would result in a positive unrestricted General Fund balance of \$3.2 billion, about 10.7 percent of the budget after reductions.