

December 17, 2008

Governor Tim Pawlenty  
130 State Capitol  
St. Paul, MN 55155

Dear Governor Pawlenty,

Over the past few weeks the Finance Chairs in the House have been working with state agencies to gather data in order to provide guidance as you move forward towards unalloting appropriations to the state budget for FY 2009. From the outset, we wanted to establish an open and transparent budget process that will enable the public to understand these decisions.

A number of Commissioners and agency staff came before the House Finance Committee and House Tax Committee as part of this process to provide guidance on unallotments. However, with a few exceptions, the information provided was less than inadequate in terms of detail. Like you, we rely on the state agencies to provide detailed budget information. According to the responses from the Commissioners, they have very limited data available to share, are still contemplating their recommendations, and are working towards the beginning of January to provide more information.

We have received word that you may begin the unallotment process as early as this week. Although we lack the budgetary detail needed to help make informed decisions, there are a number of budgetary principles that we encourage you to consider in unalloting the budget:

\*It is important not to jeopardize federal funds by unalloting state programs that bring in federal dollars supporting Minnesota priorities.

\*It is important not to jeopardize public safety by unalloting aid payments to local units of government that would lead to further reductions in essential community services, such as police, sheriff and fire protection, community corrections, and responding to child protection and vulnerable adult needs.

\*It is important not to unallot resources that flow to Minnesota classrooms. Unalloting classroom funding only hurts our ability to build a highly skilled workforce into the future.

\*We should not unallot recently enacted long-term cost containment provisions in the health and human services budget in order to help with short term budget constraints. This cost containment and prevention will save on long term

\*Unallotments should focus on areas of the budget where cost savings can be recouped in the short and long term.

\*Due to the nature of recession we are in, it is contradictory and counterproductive to unallot the state budget in such a way that forces more layoffs. We need to work toward lowering Minnesota's unemployment rate in the short term, while we build jobs for the future.

As we look for cost saving measures in order to fix Minnesota's budget deficit, we need a thoughtful approach that does not make across the board cuts. We must consider ramifications of the tough decisions before us, and we must also preserve those things that Minnesotans hold dear: such as high quality public schools, safe communities, and maintaining and growing good paying jobs.

Our budget experts tell us that we need to help spur job growth in order to provide stability in the state budget. We need to invest dollars directly into Minnesota's economy by passing a modest capital investment package early in the 2009 Session that is focused on projects that are ready to be built, renovated or retrofitted for energy efficiency.

Governor, at your earliest convenience I would welcome the opportunity to discuss a Green Jobs Academy, to quickly align Minnesota's workforce with the fast-growing clean energy economy. I believe our robust supply of electricians and other laborers in the state would provide a ready pool for a cost-effective and speedy training that could begin to meet the future needs of our state and national green job needs. These green jobs are a growth sector for our economy and an investment early will drive our economic recovery. I would request we include leaders on the green jobs initiative in the legislature, industry and higher education in our discussions. We need to focus our efforts on making this happen quickly and focus on the future green jobs sector.

As you proceed toward unallotment, we request that we have the opportunity to review your unallotment proposals before they are made. We have additional suggestions that align with the principles outlined above.

Thank you.

Margaret Anderson Kelliher  
Speaker of the House

Cc: Commissioner Tom Hanson