



Gov. Mark Dayton's shutdown announcement

By Gov. Mark Dayton

Remarks of Governor Mark Dayton — As prepared for delivery Thursday, June 30, 2011

I deeply regret that the last week of intense negotiations between the Republican legislative leaders and Senator Bakk, Representative Thissen, and myself have failed to bridge the divide between us.

Our major difference remains the same. It is the difference between my balanced approach of significant spending cuts combined with income tax increases only on the very wealthiest Minnesotans, versus the Republicans' "all-cuts" budget.

In recent days, I proposed to reduce state spending by an additional \$1.6 billion. It brought my total amount of spending cuts to over \$1.9 billion. Those cuts reduced my proposed budget to \$35.7 billion, slightly lower than the \$35.8 billion I offered as a half-way compromise six weeks ago.

Republicans have offered only to forego their \$200 million tax cut and add that amount of spending. While welcomed, \$200 million is only a small step toward resolving a \$5 billion deficit.

Unfortunately, despite many hours of intense negotiations, the Republican legislative caucuses remain adamantly opposed to any additional tax revenue. Therefore, a \$1.4 billion gap remains between our last respective offers.

For the past six months, I have proposed that remaining gap be resolved by raising taxes on only the wealthiest 2% of all Minnesotans. Republicans have adamantly opposed it. Today, Representative Thissen, Senator Bakk, and I made two proposals which contained revenues to be raised by increasing taxes only on people who make more than \$1 million per year. The Department of Revenue reports that there are only 7,700 of them, less than 0.3% of all Minnesota tax filers.

The Republicans rejected those two proposals, as they have every proposal that involves raising tax revenues from any source whatsoever. Instead, they would prefer to protect the richest handful of Minnesotans at the expense of everyone else, even at the expense of a state government shutdown. As one Republican legislators told a member of my staff, "We're friends with some of those guys."

Instead of taxing their friends, they would prefer very damaging cuts to health care, K-12 and higher education, state and local public safety, mass transit, and other essential services.

The "billion dollar revenue increase" they now claim to have offered consisted principally of two big loans. The first was from our schools; borrowing \$700 million by delaying school aid payments. The second was borrowing from future tobacco settlement payments. This does not add revenue, it adds debt. And it's what got us into this budget mess in the first place.

It is significant that this shutdown will begin on the 4th of July weekend. On that date, we celebrate our independence. It also reminds us that

there are causes and principles worth struggling for – worth even suffering temporary hardships to achieve.

Our American Revolution was very much about fair and just taxes, where the middle-class was over-taxed while the very rich went tax-free. In the absence of fair taxes, the basic services people relied upon for their health and well-being were denied them.

I cannot accept a Minnesota where people with disabilities lose part of the time they are cared for by personal care attendants, so that millionaires do not have to pay one dollar more in taxes.

I cannot accept a Minnesota where young people cannot afford the rising tuitions at the University of Minnesota or a MnSCU campus, so that millionaires do not have to pay one dollar more in taxes.

I cannot accept a Minnesota where elderly widows are denied the at-home services that permit them to remain healthy and able to live in their own homes, or a Minnesota where local governments have to further slash their firefighters and police forces, or a Minnesota where special education is being cut, so that millionaires do not have to pay one dollar more in taxes.

That is not Minnesota. That is not why the people of Minnesota elected me their Governor: so that millionaires could continue to avoid paying their fair share of taxes for the benefit of everyone else in our state. Some of them are my friends, too. However, unlike the Republican legislator, I believe in putting the people of Minnesota first.

We are One Minnesota. Our state's greatness has been forged by generations of people who also worked hard for their money, yet willingly paid their fair share of taxes so that our entire state could prosper. It was once called "the Minnesota Miracle."

It wasn't a "miracle," however. They earned it. They spent to achieve it by building excellent schools, colleges, and universities; good roads, highways, and public transit; and an exceptional quality of life helped by collaborations between the private and public sectors throughout Minnesota.

Now, all of that is at risk. All of it is being underfunded while, at the same time, middle-income Minnesotans are being over-taxed. Will the Republicans insist that inequality continue, so that millionaires do not have to pay one dollar more in taxes?

So far they have. It will take the people of Minnesota to persuade them otherwise.

I will continue—tonight, tomorrow, and however long it takes—to find a fair and balance compromise. I welcome Republicans to join with me – my door is always open. I believe the people of Minnesota are with me. I ask them to join me in standing up for our State's future.