

Governor's State of the State Address

February 11, 2010

Governor Pawlenty gave his final State of the State address in the House Chamber today. His highest priority for the 2010 Session is job creation, saying that good jobs will lead us toward economic recovery.

The first thing Governor Pawlenty said government can do to spur job creation is to make Minnesota more competitive to other states. To do so, the Governor asked the Legislature to pass his Jobs Creation bill, which will include:

- A 20% reduction in the corporate tax rate;
- A 20% exclusion from taxation for small businesses;
- An angel investment tax credit;
- A supercharged research and development tax credit;
- A capital gains exclusion for qualified investments; and
- Incentives for companies to invest in Minnesota's small businesses.

The Governor also called on the Legislature to improve and renew the JOBZ program, along with creating a CARZ zone at the Ford Plant in St. Paul.

The next issue Governor Pawlenty addressed was the State budget, adding that all levels of government need to reduce their spending. He proposed the Legislature make the property tax caps adopted a couple years ago permanent. He added that his supplemental budget will be released on Monday, which will make reductions in all spending areas except the military, veterans, core public safety functions and K-12 classrooms.

In Education, Governor Pawlenty supported the following items:

- Giving the mayors accountability and full control of the Minneapolis and St. Paul school districts;
- Directing the Department of Education to create an Office of Turnaround Schools;
- Reforming teacher tenure by renewing it every five years, and basing it on evaluations linked to student performance;
- And passing the "Teacher Transformation Act" to improve quality, training, and accountability.

The Governor also asked that the Legislature consider moving toward a "consumer-centered" health care system. He proposed allowing Minnesotans to purchase health insurance online, purchase insurance across state lines, and overhaul the publicly subsidized health care system.

In regards to the bonding bill, Governor Pawlenty said he supports passing a bonding bill as long as it is reasonable, affordable and focused.