

STATE OF MINNESOTA

Office of Governor Tim Pawlenty

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



April 24, 2008

The Honorable Larry Pogemiller
Senate Majority Leader
235 State Capitol Building
St. Paul, Minnesota 55155

The Honorable Margaret Anderson Kelliher
Speaker of the House
463 State Office Building
St. Paul, Minnesota 55155

Dear Majority Leader Pogemiller and Speaker Kelliher:

You have requested additional detail concerning the \$125 million in additional spending reductions listed in Offer #1 presented to you on April 21.

The intent of the offer was to identify the additional spending cuts in collaboration and agreement with the Legislature. However, if you prefer that we unilaterally identify additional reductions they would come from health and human services programs in the general fund. As noted in my 2008 supplemental budget recommendations, the use of surplus Health Care Access Fund (HCAF) dollars was intended to maintain eligibility in subsidized health care programs. Despite a \$935 million deficit, our supplemental budget proposal did not include any cuts to current benefits or eligibility levels in those programs.

Your opposition to use of the HCAF surplus leaves me no alternative but to revisit other options. These include the following:

- Reductions in General Assistance Medical Care (GAMC) eligibility. This is a worthwhile safety net program, but is duplicated in part by MinnesotaCare.

Sen. Pogemiller/Rep. Kelliher

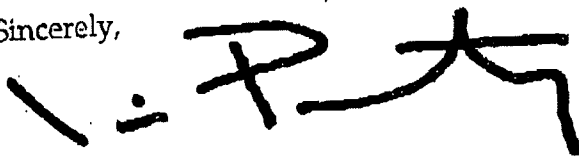
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- Reductions in benefits or eligibility in Medical Assistance programs. This is a difficult option but the large rates of growth in these programs limit investments in other priorities.
- Other reductions in health and human services grants and programs.

I hope this information is helpful in clarifying my position. I look forward to receiving your initial offer.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Pawlenty', written over a horizontal line.

Tim Pawlenty
Governor

Cc: Senate Minority Leader Dave Senjem
House Minority Leader Marty Seifert