

The above proposed budget cuts total more than \$52.5 million. As we sit today, Thursday March 4, our budget deficit is between \$38 and \$40 million. Therefore, we have identified more proposed budget cuts than are currently required to balance our budget this year without using any reserves. We have presented this list to the executive branch and recognize that they might have certain suggested changes or deletions from this list. We look forward to discussing these proposals with them. At the same time, we recognize that Monday March 8, the Joint Appropriations Committee will finalize its revenue projections for FY 2011. Those final revenue projections will also play an important part in the continued efforts to finalize our 2011 budget so that it does not involve deficit spending or utilization of our budget reserves.

This process has been a long and difficult one and we wish to thank our members on the Appropriations Committees for their diligent work and efforts in this process. We have achieved our first goal in identifying no less than \$40 million in budget cuts. We still need to see the final revenue estimates before being able to complete the goal of a zero-deficit budget for FY11. The process has been slow because we needed to complete the Appropriations Committee's hearing process on the entire state budget and after that, make these proposed budget cuts based on a platform of current information rather than mere guesses.

Dave Knudson
Senate Majority Leader

Bob Faehn
House Majority Leader

Jean Hunhoff
Senate Appropriations Chair

Larry Tidemann
House Appropriations Chair