

Pawlenty in Kato: Higher education must change

A future view

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MANKATO — In what is likely to be one of Tim Pawlenty's last public appearances in Mankato as governor, the two-term Republican:

- Predicted that state university officials are going to be blindsided by revolutionary changes coming to higher education.
- Warned that America is facing a financial catastrophe if its entitlement spending isn't reformed.
- Praised business owners.
- Vowed to continue to block any tax increases in his final legislative session.
- Warned that Minnesota can't be what it was 35 years ago.
- Gave Wisconsin the finger.

Pawlenty, who is stepping down as governor when his second term ends a year from now, was at the Primrose Retirement Community in Mankato on Wednesday, but he wasn't checking out the accommodations.

Still just 49 years old, Pawlenty isn't looking for a rocking chair yet. In fact, he's widely considered to be unofficially running for the Republican presidential nomination in 2012.

His stop at Primrose was for Greater Mankato Growth's "Business Before Hours" breakfast gathering. While he was there for less than an hour, he covered plenty of ground.

Warning for MSU

Asked by a university employee about the prospects for funding for state colleges in the upcoming legislative session, Pawlenty provided a prediction for 2010 and a longterm forecast.

"It's going to be reduced somewhat," he said, referencing the state's budget shortfall.

The bigger issue for colleges and college towns is the more dramatic

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John Cross

Two weeks before starting his final legislative session, Gov. Tim Pawlenty spoke to Mankato area business leaders about challenges facing the state and federal governments. Pawlenty, who is widely believed to be in the early stages of running for the 2012 Republican presidential nomination, also had strong opinions about where President Obama and congressional Democrats have gone astray.

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change coming to higher education as teaching moves from classrooms to computers.

"I think higher education is going to be radically transformed in the next 20 years in a way that people in higher education don't see coming," Pawlenty said.

College officials are planning for new buildings - "clinging to the status quo" - even in the face of a digital revolution that offers more efficient, and possibly more effective, ways of teaching students, he said.

" You're going to see the higher education establishment have the rug pulled out from under them in a way that totally blindsides them," he said.

" They better get ready. If I was Mankato State University, I'd be less worried about how many undergraduate buildings I'm going to be building and more worried about how I'm going to lead the digital revolution that's coming."

Budget bleakness

Pawlenty served some fiscal gloom with the doughnuts and coffee at the gathering.

The worst news is at the federal level, where entitlement programs such as Medicare, Social Security and other promised benefits carry a price tag that the nation's economy can't support, he said. Total unfunded liabilities are \$65 trillion for a federal government that generates annual revenue of \$2.2 trillion.

" They're broke," he said.

Pawlenty didn't offer much more hope for flush budgets at the state level either after he was asked to be "compassionate" on salaries for aides to people with developmental disabilities. Spending on health and social services programs is rising at unsustainable rate and must be curtailed, he said. A few years ago, those programs represented 15 percent of the budget, now it's 25 percent, and it's projected to grow to 75 percent or more within 20

years. " There's going to be no money left for anything unless we reform our health and human services budget."

Protecting prosperity

After a seven-year tenure where budget deficits have come frequently, where Democratic lawmakers have proposed tax increases to erase some of the red ink, and where Pawlenty has remained steadfast in opposition to new state taxes, the eighth year might seem like a bit of a rerun.

Facing a \$1.2 billion projected budget shortfall, the governor said he will block any efforts to boost tax revenue. The reason is that business owners in the state already face competitive disadvantages because of Minnesota's tax rates, Pawlenty said.

" Thank you," one man in the audience shouted.

" Yeah, you're welcome," the governor answered. Minnesota can't return to its high-tax, high-service model of the 1970s, he continued. Everything from schools to health care must become more efficient. And newly hired public employees can't be given the level of benefits promised to those in the past.

Another audience member wondered if Pawlenty would accept state-sponsored casinos at horse tracks, considering the state's budget difficulties.

"It seems to make sense at this point," the man said.

Pawlenty disagreed and reminisced about his 2005 proposal to allow a northern Minnesota Indian tribe, which hadn't benefited much from tribal gambling, to open a Twin Cities casino and share the profits with the state.

"I got my can kicked from the right and the left," he said of the opposition by existing Indian casinos and by Christian conservatives.

Turning purple

Pawlenty got a few laughs from the large crowd, one at his own expense.

" Yes ma'am," he said, pointing to a person near the back who wanted to ask a question.

Then he looked again: "Uh, it wouldn't be 'ma'am' because now I see you have a mustache."

Pawlenty also offered an idea on how Minnesotans can take a jab at their neighbors to the east in light of longtime Green Bay Packers quarterback Brett Favre leading the Vikings to the brink of the Super Bowl.

"Do you know how we give Wisconsin the finger now?" he asked before holding all of the fingers on his hand straight up. "It's like this. No. 4."

After the event ended, Pawlenty said he doesn't expect the visit to be his last to Mankato as governor.

At some point, he'll turn the attention over to the candidates seeking to replace him - but not yet.

" We'll be back," he said.