

STATE OF MINNESOTA

Office of Governor Tim Pawlenty

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

March 14, 2010

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

Dear Speaker Kelliher:

I have signed into law, with a number of line-item vetoes, the Capital Investment Bill, Chapter 189, House File 2700.

In meetings and numerous other communications, I repeatedly conveyed my expectations and priorities for a capital investment bill this session. My requests were limited in number and highlighted the following:

1. The bill should not significantly exceed the amount budgeted (\$725 million).
2. The bill should include key priorities such as veterans, military, and public safety before less important projects are funded.

Notwithstanding clear direction on these points, the DFL-controlled legislature initially passed a \$1 billion bill that excluded many of Minnesota's pressing needs. After learning the entire bill would be vetoed, DFL legislative leaders, in a dubious procedural maneuver, retrieved the bill before it reached my desk.

After that unusual turn of events, the Capital Investment Conference Committee finally included core priorities including critically needed public safety initiatives such as security upgrades to the Oak Park Heights Level 5 prison, an expansion of the Minnesota Sex Offender Program to house sexual predators, and funding for the Minneapolis Veterans Home.

However, I am deeply disappointed the bill still spends nearly \$1 billion despite my repeated and pointed warnings that I would not sign a bill of this magnitude. Like any family or business, state government needs to live within its means and follow a

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budget. This bill exceeds the budgeted capital investment amount by approximately \$275 million.

As usual, I have been left to reduce spending within the bill to an affordable level. The DFL-controlled legislature seems incapable of prioritizing projects or simply saying no. So, I have again done it for you.

I have exercised my line-item veto authority to remedy the situation to the best of my ability under the constraints of the bill presented. These vetoes reduce the overall amount of general obligation bonding in the bill from \$999 million to \$680 million. Reducing the bill to this level reflects my commitment to fiscal discipline and an attempt to prioritize important state projects.

In addition to sending me a bill you knew was way too large, the bill still fails to properly fund basic maintenance for priority facilities which support military operations or veterans. In this category, the DFL-controlled legislature reduced my recommendation for military facilities by 50 percent and reduced my recommendations for veterans' facilities by nearly 40 percent. Moreover, you failed to properly fund a needed expansion of the facility to detain Minnesota's most dangerous sexual predators.

The bill now also contains language which, in some cases, perhaps makes it impossible for a governor to exercise line-item veto authority other than in an overly blunt manner. For example, the sections of the bill relating to new trail acquisition and transit projects limit my ability to select specific projects for line-item vetoes. As a result, entire sections were removed.

The bill and process were also highly partisan. I encouraged DFLers to work with legislative Republicans to gain their support. That didn't happen. If the DFL is interested in revisiting projects within a financially responsible overall level, I encourage you to engage the Republican caucus leaders to understand their concerns and meet their priorities. If you request, my staff is available to assist with that effort.

Below is a summary of the line-item vetoes within this bill:

Higher Education – University of Minnesota

My bonding recommendations supported the full funding of the Physics and Nanotechnology project. I am disappointed that the bill does not fund this project in its

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entirety. I support the increase in the asset preservation funds but veto the following University of Minnesota requests:

- Page 3, lines 3.25 to 3.28: An appropriation for \$6,667,000 to design, construct, furnish, and equip an American Indian Learning Resource Center at the Duluth Campus.
- Page 3, line 3.29, to page 4, line 4.3: An appropriation for \$3,667,000 to design, construct, furnish, and equip a new biological station and renovate the classroom at the University of Minnesota facility in Itasca State Park.

Higher Education – Minnesota State Colleges and Universities

The bill contains a significant amount of project requests for the Minnesota State Colleges and Universities system. Fully funding all of these requests would reduce consideration of other worthy state projects in order to achieve a reasonably sized bill. I am also troubled by the disparity in funding levels between the University of Minnesota and MnSCU in the bill. For this reason, I am vetoing the following projects:

- Page 5, lines 5.14 to 5.19: An appropriation for \$5,357,000 to design, renovate, furnish, and equip the Fine Arts classroom and lab building at Anoka Ramsey Community College, Coon Rapids.
- Page 5, lines 5.20 to 5.24: An appropriation for \$400,000 to Anoka Ramsey Community College, Coon Rapids for the design of a Bioscience and Allied Health addition. Design funds were appropriated in 2004 and 2008 for this project.
- Page 5, lines 5.25 to 5.30: An appropriation for \$300,000 to Dakota County Technical College for the design of the transportation and emerging technologies lab.
- Page 5, line 5.31, to page 6, line 6.7: An appropriation for \$10,566,000 to Hennepin Technical College to renovate, furnish, and equip existing library, student services and entry space at the Eden Prairie and Brooklyn Park campuses.

- Page 6, lines 6.21 to 6.26: An appropriation for \$12,990,000 to design, renovate, furnish, and equip instructional and support space at Minneapolis Community and Technical College.
- Page 6, line 6.33, to page 7, line 7.3: An appropriation for \$1,908,000 to design a Clinical Science Building at Minnesota State University, Mankato.
- Page 7, lines 7.4 to 7.9: An appropriation for \$14,901,000 to Minnesota State University, Moorhead to design, renovate, furnish, and equip Livingston Lord Library.
- Page 7, lines 7.10 to 7.15: An appropriation for \$200,000 to Minnesota West Community and Technical College, Canby for design of a wind turbine training facility. MnSCU did not recommend this project.
- Page 7, lines 7.25 to 7.32: An appropriation for \$3,000,000 to NHED Mesabi Range Community and Technical College, Virginia to design, construct, furnish, and equip a new addition and renovate existing space for the engineering program. MnSCU did not recommend this project.
- Page 8, lines 8.6 to 8.11: An appropriation for \$600,000 to North Hennepin Community College for additional design of the Bioscience and Health Careers Center addition.
- Page 8, lines 8.17 to 8.23: An appropriation for \$14,300,000 to Ridgewater Community Technical College, Willmar to design, renovate, furnish, and equip instructional space.
- Page 8, line 8.24, to page 9, line 9.13: An appropriation for \$8,500,000 to Rochester Community Technical College to design, construct, furnish, and equip an addition to house and lease to the Rochester Area Work Force Center. The Legislative Auditor's Report on workforce training stated no clear advantage in locating workforce centers on campuses.
- Page 9, lines 9.14 to 9.19: An appropriation for \$13,360,000 to South Central College, Faribault to design, construct, furnish and equip an addition and renovate existing space for classroom and learning resource center.

- Page 9, lines 9.20 to 9.24: An appropriation for \$200,000 to Southwest Minnesota State University to design science and math building renovations.
- Page 9, lines 9.25 to 9.30: An appropriation for \$42,334,000 to St. Cloud State University to design, construct, furnish, and equip the Integrated Science and Engineering Laboratory Facility.
- Page 10, lines 10.17 to 10.31: An appropriation for \$4,835,000 to renovate classrooms at nine campuses within the MnSCU system.

Department of Education

- Page 13, line 13.6, to page 14, line 14.5: An appropriation for \$5,780,000 to Independent School District No. 38, Red Lake for a capital loan to design, construct, furnish, and equip renovation of existing and construction of new facilities. The cost of funding this project is \$35,043,000. Since the level of funding has not been accomplished in this bill, the project should be postponed.
- Page 14, lines 14.6 to 14.10: An appropriation for \$2,000,000 for library accessibility and improvement grants.

Department of Natural Resources

- Page 19, lines 19.11 to 19.16: An appropriation for \$750,000 to renovate the Coon Rapids Dam. This dam is not at an imminent risk of failure, and the DNR has other tools available to maintain the integrity of the dam.
- Page 20, lines 20.7 to 20.18: An appropriation for \$4,500,000 for acquisition for Scientific and Natural Areas. My bonding recommendation for this program was \$500,000. This level of funding is simply too high.
- Page 23, line 23.29, to page 25, line 25.28: An appropriation for \$21,423,000 for state trail acquisition and development. While some of these are worthy projects, this level of funding is not affordable at this time. This bill still contains nearly \$8 million for trail rehabilitation and development in Minnesota. Again, the language used in this section invited an "all or nothing" approach to vetoes.
- Page 28, lines 28.11 to 28.15: An appropriation for \$1,000,000 to the city of Two Harbors for campground expansion.

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Pollution Control Agency

- Page 29, lines 29.15 to 29.26: An appropriation for \$500,000 to Becker County for design and construction of a waste transfer facility.

Board of Soil and Water Resources

- Page 30, line 30.6, to page 31, line 31.33: An appropriation for \$25,000,000 for RIM Conservation Reserve. This amount is more than six times my recommendation and the language used invites an “all or nothing” veto approach.

Administration

While I am supportive of local units of government utilizing facilities in a more effective and efficient manner, additional state bonding revenue is not required for such collaborations. Therefore, I am vetoing the following:

- Page 34, lines 34.4 to 34.8: An appropriation for \$1,000,000 for grants to counties, cities, towns, and school districts to construct or renovate cooperative local facilities.

Amateur Sports Commission

- Page 35, lines 35.1 to 35.13: An appropriation for \$3,500,000 to the city of Moorhead to design, construct, furnish, and equip the Northwestern Minnesota Regional Sports center.

Department of Public Safety

The following training facilities do not meet the Department of Public Safety’s criteria for new facilities and are therefore vetoed:

- Page 37, lines 37.21 to 37.32: An appropriation for \$3,000,000 for a grant to the city of Maplewood to acquire land, prepare a site including environmental work, pre-design, design and construct the East Metro Regional Fire Training Facility in Ramsey County.

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- Page 38, line 38.27, to page 39, line 39.2: An appropriation for \$2,000,000 for a grant to the city of Princeton to design, construct, furnish and equip a new public safety building.

Department of Transportation

- Page 41, Line 41.23 to page 42 Line 42.2: An appropriation for \$2,500,000 for Greater Minnesota Transit.
- Page 43, lines 43.21 to 43.25: An appropriation for \$3,000,000 for Port Development Assistance.
- Page 43, line 43.26 to line 43.31: An appropriation for \$3,700,000 to the Range Regional Airport.
- Page 44, line 44.25 to line 44.29: An appropriation for \$6,500,000 to design and construct an addition to the Arden Hills Training Center.
- Page 45, lines 45.18 to 45.25: An appropriation for \$1,000,000 for improvements at Hoffman Interlocking Rail Yard in Saint Paul.

Metropolitan Council

- Page 45, line 45.30, to page 49, line 49.17: An appropriation for \$43,500,000 for the Transit Capital Improvement Program. The language used invited an "all or nothing" veto approach.

I have vetoed the following earmarked park projects because they are either a local project, outside of the metropolitan regional park system, or because they should be or are already funded through the metropolitan parks and open space commission's prioritized capital improvement program.

- Page 50, line 50.21, to page 51, line 51.7: An appropriation for \$2,000,000 for the Minneapolis Sculpture Garden.
- Page 51, lines 51.19 to 51.34: An appropriation for \$1,100,000 for Phalen-Keller Regional Park.

- Page 52, lines 52.12 to 52.17: An appropriation for \$2,000,000 for Springbrook Nature Center.
- Page 52, lines 52.18 to 52.26: An appropriation for \$1,000,000 for Theodore Wirth Winter Recreation Center.

Health and Human Services

- Page 54, lines 54.27 to 54.33: An appropriation for \$2,000,000 to Early Childhood Learning and Child Protection Facilities.

Local Projects/Other projects

The bill contains too many appropriations for specific local projects, which are funded while some statewide priority needs are disregarded. For this reason, I am vetoing the following projects:

- Page 60, lines 60.24 to 60.32: An appropriation for \$475,000 to the city of Bemidji to predesign and design the Headwaters Science Center.
- Page 60, line 60.33, to page 61, line 61.9: An appropriation for \$2,200,000 to the Chatfield Economic Development Authority for site preparation and to predesign, design, construct, furnish and equip the renovation of Potter Memorial Auditorium and adjacent structures in the city of Chatfield as the Potter Center for the Arts.
- Page 61, lines 61.16 to 61.28: An appropriation for \$840,000 to Hennepin County to predesign, design, construct, furnish and equip the renovation of an historic mansion for the Minnesota African American History Museum and Cultural Center in Minneapolis.
- Page 61, line 61.29, to page 62, line 62.8: An appropriation for \$12,000,000 to the city of Mankato to design, construct, furnish, and equip the expansion of the Civic Center auditorium.
- Page 62, lines 62.9 to 62.20: An appropriation for \$4,000,000 to the city of Minneapolis to acquire land for, and to predesign, design, and construct, storm water and roadway infrastructure for phase 2 of the proposed Granary Road.

- Page 63, lines 63.12 to 63.21: An appropriation for \$28,000,000 to the city of Rochester to design, construct, furnish, and equip the renovation and expansion of the Mayo Civic Center Complex.
- Page 63, lines 63.22 to 63.31: An appropriation for \$13,000,000 to the city of St. Cloud to predesign, design, construct, furnish and equip an expansion to the St. Cloud Civic Center, including a parking facility and skyway connection.
- Page 63, line 63.32, to page 64, line 64.22: An appropriation for \$250,000 to St. Louis County to improve event facilities in the Arrowhead region.
- Page 64, lines 64.24 to 64.30: An appropriation for \$5,000,000 to the St. Paul Housing and Redevelopment Authority to construct, furnish, and equip an Asian-Pacific Cultural Center.

Housing Finance

- Page 66, lines 66.3 to 66.27: An appropriation for \$10,000,000 to the Minnesota Housing Finance Agency for transfer to the housing development fund to finance the costs to preserve public housing. Public housing authorities throughout Minnesota are financed by the federal government. In 2009 Minnesota public housing authorities received a nearly \$10 million increase in federal funding over 2008 levels.

Historical Society

- Page 67, lines 67.22 to 67.27: An appropriation for \$9,357,000 to design, construct, furnish, and equip the renovation of the Oliver H. Kelly Farm.

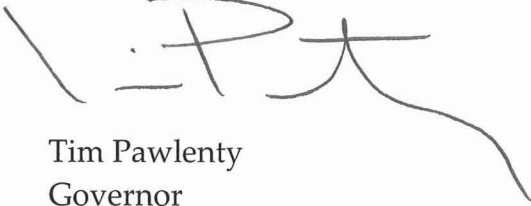
As the legislature continues its work towards balancing the state's budget, I am hopeful that we can work in a more collaborative way to fund critical needs while staying within our budget and not raising taxes on hard-working Minnesotans.

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Sincerely,

A handwritten signature in black ink, appearing to read 'TP', with a long horizontal line extending to the right from the end of the signature.

Tim Pawlenty
Governor

- cc: Senator James Metzen, President of the Senate
Senator Lawrence J. Pogemiller, Majority Leader
Senator David Senjem, Minority Leader
Senator Keith Langseth
Representative Kurt Zellers, Minority Leader
Representative Alice Hausman
Mr. Peter S. Wattson, Secretary of the Senate (Legislative)
Mr. Al Mathiowetz, Chief Clerk of the House of Representatives
Mr. Mark Ritchie, Secretary of State