

Chapter 594 is also unacceptable because it requires the Metropolitan Council to prioritize its allocation plan in inverse proportion to the percentage of affordable housing available. Instead of focusing its housing efforts on areas where jobs, transportation, and other essential services are available, the bill forces the Council to direct its resources into those areas with the least amount of low-income housing, which may also have the least number of jobs. The Council must have the flexibility to concentrate its efforts where it can achieve the best results.

In addition, Chapter 594 is largely unnecessary. It simply mandates activity that is already underway. Moreover, I have already sign into law Chapter 577, which requires the Council to study the costs and benefits of affordable housing alternatives. I have also requested housing vouchers from the U.S. Department of Housing and Urban Development to assist 100 families to relocate. While these efforts are a good start, the real solution lies in attacking the causes of poverty, not just the results.

I am deeply disturbed by the lack of any serious attention to the real causes of poverty in the core cities. Economic development, workers' compensation and welfare reform have been ignored. In fact H. F. No. 2758/S. F. No. 2570, a bill addressing those important issues, was never even given a hearing. Separate workers' compensation and welfare reform bills died for a lack of legislative leadership. Solutions to these problems will help people move up and out of poverty, rather than just helping them move.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 9, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

I have vetoed and am returning to you Chapter 597, H. F. No. 2951, a bill relating to health care financing.

As Governor, I am constitutionally required to submit a balanced budget to the state of Minnesota. Unfortunately, the legislature is not bound by this same requirement. As it currently stands, the legislature's overall budget will create a budget deficit of approximately \$480 million by the end of the next legislative biennium. I believe it is my responsibility to make the tough choices to ensure that the citizens of Minnesota are not faced with a nearly half a billion dollar tax increase to finance the legislature's spending habits.

Our administration is reviewing all spending bills according to the following criteria: 1) Is this an emergency need? 2) Should this issue have been dealt with during the 1993 legislative budget session? 3) Can the issue wait until the 1995 legislative session? If the items in question can not adequately answer these criteria, I cannot in good conscience sign them into law with the knowledge that this spending will force a tax increase next year.

This bill contains a shift of \$75 million from the general fund to a newly created fund designated for health care. While this is a laudable goal, we simply do not have the money available to create such a fund, nor do we have a revenue source identified to maintain this fund.

Warmest regards,

ARNE H. CARLSON
Governor