



STATE OF MINNESOTA

Office of Governor Tim Pawlenty

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

May 25, 2007

The Honorable Margaret Kelliher
Speaker of the House
463 State Office Building
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Statement of Item Vetoes, Chapter 135, House File 122

Dear Speaker Kelliher:

I have received, approved, signed and deposited in the Office of the Secretary of State, Chapter 135, House File 122, the omnibus economic development bill with the exception of line item vetoes listed below.

The following items of appropriation are vetoed for the reasons outlined below:

1. Page 9, lines 9.9 – 9.19: A \$500,000 appropriation is for a grant to the Upper Sioux community to make improvements to the community's water system. There are federal loan and grant programs available through the USDA and EPA for the water system upgrades on reservations. It is our understanding the Upper Sioux community did not apply for such funds. They should. If they are turned down, I would be open to providing state assistance. However, they should be expected to pursue available funding for this initiative from existing federal programs before seeking special state funding.
2. Page 9, lines 9.30 – 9.33: A \$350,000 appropriation for a grant to the city of Inver Grove Heights for reducing local debt for the community center. This is a local debt service item for a local public facility. It is my understanding the community center which previously included meeting rooms, ice rinks, and an armory was in relatively good financial shape until previous local leaders decided to add an indoor water park, aquatic

facility, and athletic club-style workout area. It is unfortunate that decision led to financial stress on the city. However, Minnesota taxpayers should not be expected to pick up the tab for the problems caused by those fun, but non-essential local add-ons.

3. Page 10, lines 10.9 – 10.12: A \$2.5 million appropriation for the city of St. Paul to be used for debt service costs incurred by the RiverCentre Campus. This facility helps generate regional and statewide economic impact as it hosts large and significant events. The facility was built without any capital investment from the state, unlike other large regional convention facilities. I may be willing to support assistance for this facility, but the commitment for how funds will be used needs to be much more clear and strategic. Also, the RiverCentre's own documents indicate the financial condition of the facility will be relatively stable in the near term, allowing time for another legislative session and a more deliberative and critical assessment of this request.
4. Page 16, line 16.34 – Page 17, line 17.2: A \$100,000 appropriation for a grant to Ramsey County Workforce Investment Board. This duplicates funding to this entity. This program currently receives formula funding from other state and federal funds and should not seek a special earmark.
5. Page 17, lines 17.3 - 17.9: A \$150,000 appropriation for a grant to the Hennepin-Carver Workforce Investment Board. This duplicates funding to this entity. This program currently receives formula funding from other state and federal funds and should not seek a special earmark.
6. Page 17, lines 17.17 - 17.23: An appropriation of \$200,000 each year for a grant to HIRED. This is a good program. However, it should apply for funding currently available through the Jobs Skills Partnership board, rather than receiving a special earmark.
7. Page 26, lines 26.1 – 26.2: I am exercising my line item and striking the "\$500,000 the second year" on page 26, lines 26.2 and 26.3. The workers' compensation special compensation fund has never been used for the

purchase of safety equipment as this fund is used for workers compensation benefits and administration. There is a current safety grant fund that is available for assistance in purchasing safety equipment. The Department of Labor and Industry will be reporting back on January 15, 2008 with recommendations on the options and barriers for safe patient handling which will allow the 2008 legislature to determine a more appropriate funding source. I have not vetoed first year funding for equipment so purchases can be made while we await the study.

8. Page 29, lines 29.28 -29.29: Chapter 135, Article 1, Section 9, page 29 appropriates \$75,000 the first year and \$75,000 the second year for a grant to Eveleth for the Hockey Hall of Fame Museum. I am exercising a line item veto to delete the language "and \$75,000 the second year" from page 29, line 29.28 and continuing on line 29.29, and on page 30, lines 30.2 – 30.4 striking "this appropriation is added to the society's base." This will eliminate the second year appropriation and preclude this item from being part of the Minnesota Historical Society's ongoing operational budget.

The Hockey Hall of Fame currently receives a direct distribution from the taconite tax for a period of five years. The City is expected to match the direct distribution amount each year. The estimated city match for 2007 is \$75,000. This section of the bill is ambiguously worded. It is unclear whether the appropriation in this bill is the expected city match, or perhaps it is intended to be an amount beyond the direct distribution and city match. Either way, it is a concern. In the interest of sustaining the Hall and discussion regarding the Hall, I am willing to authorize this funding for one year.

The Hockey Hall of Fame is deserving of some support, but its mission and future plans need to be more critically assessed. A further review of the Hall's strategic plan and the state's role in that plan is in order.

9. Page 107, line 107.32 – Page 108, line 108.10: The \$575,000 appropriation from the Iron Range Resources and Rehabilitation Board fund and the

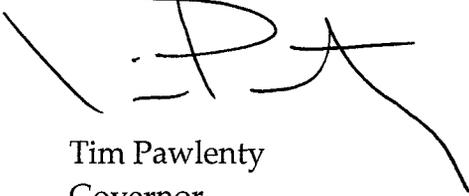
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Article 5, Section 2 bypass the administrative and approval process of the Iron Range Resources agency and board. These appropriations simply should not have been made in state law by the Legislature.

Sincerely,

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

Tim Pawlenty
Governor

cc: Senator James Metzen, President of the Senate
Senator Lawrence J. Pogemiller, Majority Leader
Senator David Senjem, Minority Leader
Senator David Tomassoni
Representative Marty Seifert, Minority Leader
Representative Tom Rukavina
Mr. Patrick E. Flahaven, Secretary of the Senate
Mr. Al Mathiowetz, Chief Clerk of the House of Representatives
Mr. Mark Ritchie, Secretary of State