



STATE OF MINNESOTA

Office of Governor Tim Pawlenty

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

May 7, 2009

The Honorable James Metzen
President of the Senate
322 State Capitol Building
Saint Paul, Minnesota 55155

Dear President Metzen:

I have vetoed and am returning Chapter 39, Senate File 2081, the Jobs and Economic Development Finance Omnibus Bill.

While the majority of the bill is acceptable to me and serves the purpose of advancing such key goals as economic development and job training, a few provisions are so misguided they necessitate a veto. Since these items are not subject to line-item veto, inclusion in the bill triggered a veto of the entire bill.

As indicated previously, the provision in the bill that forgives a loan payment by the city of Saint Paul to the state of Minnesota for the Saint Paul RiverCentre is problematic. The city of Saint Paul should not threaten to reduce police and fire services while requesting that a loan be forgiven in order to build an ice rink. In light of the Legislature's apparent strong desire to forgive this debt, I suggested a compromise that would direct some or all of the loan forgiveness funds to the higher priority purpose of police and fire services. That suggestion was ignored.

The bill also includes a repealer on line 147.23 allowing non-registered practitioners of alternative medicine to be compensated for services provided to injured workers through the workers' compensation system. Minnesota has a tradition and practice of vetting proposed changes to our workers' compensation laws through the Workers' Compensation Advisory Council. The Council did not approve this change.

Sen. Metzen/SF2081

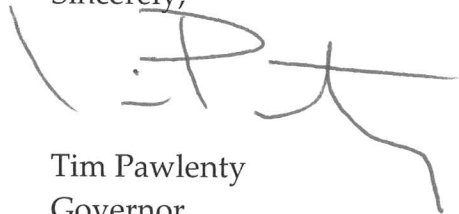
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May 7, 2009

I also refer you to my letter to Senator Tomassoni and Representative Rukavina dated April 30, 2009. It outlines my concerns regarding legislative initiatives considered by the conference committee.

I commend the Legislature for its work to fund many other important programs in this bill, and believe we can come to an acceptable compromise. My Administration stands ready to work with you to achieve that goal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Pawlenty', written over a horizontal line.

Tim Pawlenty
Governor

cc: Senator Lawrence J. Pogemiller, Majority Leader
Senator David Senjem, Minority Leader
Senator David Tomassoni
Representative Margaret Anderson Kelliher, Speaker of the House
Representative Marty Seifert, Minority Leader
Representative Tom Rukavina
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
Commissioner Tom Hanson, Department of Management and Budget
Commissioner Dan McElroy, Department of Employment and Economic
Development
Commissioner Steve Sviggum, Department of Labor and Industry
Commissioner Sandy Layman, Iron Range Resources
Commissioner Dan Bartholomay, Minnesota Housing Finance



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April 30, 2009

Senator David Tomassoni
317 State Capitol Building
Saint Paul, Minnesota 55155

Representative Tom Rukavina
477 State Office Building
Saint Paul, Minnesota 55155

Dear Senator Tomassoni and Representative Rukavina:

As your conference committee deliberates the Omnibus Economic Development bill, please know that I share your interest in the productive and timely resolution of our differences. This letter is intended to provide you with an outline of my thoughts and concerns about the legislation you are considering.

I appreciate inclusion of many of my budget recommendations for housing, tourism, economic development, and labor in both the House and Senate bills. However, I have concerns about spending provisions in your bill as well as an increased fee on businesses.

The House bill increases the Workforce Development Fee substantially, imposing an additional \$52 million on Minnesota's businesses. With taxes and fees collected through Minnesota's unemployment insurance program already more than double those of many Midwest states, an increase in the Workforce Development Fee would further reduce the state's competitiveness and ability to retain and grow jobs. Rather than increasing business expenses, we should be embracing policies that make Minnesota a more competitive place to do business and provide jobs.

I appreciate the Senate position of not raising the fee. However, the Senate transfers over \$5 million per year from the Workforce Development Fund to the general fund. This will severely impact the Dislocated Worker Program which provides job training and other services to thousands of unemployed Minnesota workers. Furthermore, the proposed increase in revenue from the Workforce Development Fee is directed to various programs that do not have any association with the Dislocated Worker Program. It is not acceptable to fund unrelated programs which have never before been funded from this revenue source.

April 30, 2009

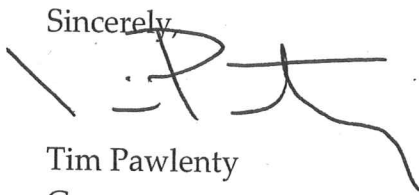
Both the Senate and House bills contain language that reallocates a loan repayment from the Douglas J. Johnson Fund to the Taconite Environmental Protection Fund to subsidize various public works projects which create temporary construction jobs. These may be meritorious local projects. However, the loan repayment was intended to be used for projects and programs that create permanent and skilled employment in the region, including employment in technologically innovative businesses that encourage a diversified economy. Earmarking funds for these temporary purposes not only circumvents Iron Range Resource's grant-making process, it sets a poor precedent.

Both bills contain language that would forgive a loan repayment by the City of Saint Paul for the Saint Paul RiverCentre development. Minnesotans across the state are doing what it takes to make ends meet. They are budgeting to make auto payments, mortgage payments and utility payments. Legislation which signals the City of St. Paul does not have to pay its bills is a bad precedent. In addition, no expectations are placed on St. Paul as a condition for the loan forgiveness. At a time when the city is threatening to lay off police officers and firefighters, it seems the city should at least be required to set better priorities (i.e., maintain levels of police officers and firefighters) or make progress in other key areas as a condition of such a transaction.

These challenging economic times demand that we use restraint and prioritize expenditures. I strongly urge you to fund only those projects and programs that provide an essential service to Minnesotans. Please also do not take steps to put our job producers at a further disadvantage as they compete regionally, nationally, and globally. The size and number of issues addressed in your bill makes it difficult to communicate all of my concerns. Members of my administration will provide you with more detail.

Thank you for considering my views. I look forward to working with you to enact a bill I can sign into law.

Sincerely,

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

Tim Pawlenty
Governor

Sen. Tomassoni/Rep. Rukavina

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April 30, 2009

cc: Senator Larry Pogemiller, Senate Majority Leader
Representative Margaret Kelliher, Speaker of the House
Senator Dave Senjem, Minority Leader
Representative Marty Seifert, Minority Leader
Senator Kenneth Kelash
Senator Amy Koch
Senator James Metzen
Senator Dan Sparks
Representative Karen Clark
Representative Bob Gunther
Representative Tim Mahoney
Representative Mary Murphy
Commissioner Tom Hanson, Department of Management and Budget
Commissioner Dan McElroy, Department of Employment and Economic
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