



STATE OF MINNESOTA

Office of Governor Mark Dayton

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

March 29, 2012

The Honorable Kurt Zellers
Speaker of the House
463 State Office Building
100 Rev. Dr. Martin Luther King, Jr. Blvd.
St. Paul, Minnesota 55155

Dear Mr. Speaker:

I have vetoed and am returning Chapter 140, House File 545, Senate File 1600, a bill requiring state agencies to conduct risk analysis for federal insolvency and include their contingency planning in Biennial Budget documents.

This bill would require state agency employees to spend hundreds of hours each year monitoring "indicators of the federal government's inability to meet its obligations." While the Legislature claims to want to reduce the size of state government, it continues to load employees with additional assignments of dubious value.

This bill perpetuates one of the majority party's current political stratagems: to raise doubts about the reliability of government generally and, in this instance, of the federal government specifically. As such, it joins the list of such attempts as privatizing Social Security and the systematic undermining of public schools.

It is not that the federal government's current budget deficit should not be a source of concern. Where, however, were the outcries during the previous decade from the legislators, who now tout this legislation? When I joined the United States Senate in January 2001, outgoing-President Bill Clinton, a Republican-controlled Congress, and an improving national economy had produced the federal government's first operating surplus in 29 years. What's more, those operating surpluses were projected to continue for every year in the coming decade. Added to them would be annual \$180 billion surpluses in the separate Social Security Trust Fund. Staying on that course, we could have virtually eliminated the national debt.

So what happened? President George Bush spearheaded not one, but two, enormous tax cuts, which inordinately benefitted wealthy Americans, large corporations, and powerful special interest groups. They were followed by two wars and two recessions, the last one the most severe since the Great Depression. All of those projected operating surpluses were wiped out, as were the Social Security Trust Fund's surpluses; yet recent annual deficits have skyrocketed to over \$1.3 Trillion.

Where were the outcries, when that drastic reversal of sound fiscal stewardship was occurring?

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The federal government's current and projected budget deficits are urgent national problems, and fixing them will require bi-partisan, difficult, even painful solutions. They are, however, still fixable, according to most leading economists. The debt instruments of the U.S. Government continue to be purchased all over the world, because our country is still considered to have the safest and most reliable economy anywhere.

Meanwhile, the financial obligations of the federal government are embedded in current federal laws. They cannot be changed at someone's whim, as the rhetoric surrounding this legislation implies. Those laws would have to be changed, through Congress' laborious public process, and signed by the President before any of those financial commitments could be altered or rescinded.

I believe the people of Minnesota will be far better served by the state's financial experts focusing on their continued improvements in the cost-efficiencies of state services, as well as ways to reduce the additional \$1.5 Billion in debt the Legislature enacted in the last session.

Therefore, I am vetoing this bill.

Sincerely,

Mark Dayton
Governor

cc: Senator Michelle L. Fischbach, President of the Senate
Senator David H. Senjem, Senate Majority Leader
Senator Thomas M. Bakk, Senate Minority Leader
Senator Theodore Daley
Representative Paul Thissen, House Minority Leader
Representative Keith Downey
The Honorable Mark Ritchie, Secretary of State
Mr. Cal R. Ludeman, Secretary of the Senate
Mr. Albin A. Mathiowetz, Chief Clerk of the House of Representatives