

COMMUNICATIONS AND ANNOUNCEMENTS RECEIVED  
SUBSEQUENT TO ADJOURNMENT

The following communications and announcements were received subsequent to adjournment by the House:

**PETITIONS AND COMMUNICATIONS**

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2007 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2007</i>	<i>Date Filed 2007</i>
1215		85	5:18 p.m. May 18	May 18
1675		86	5:19 p.m. May 18	May 18
1495		87	5:20 p.m. May 18	May 18
1019		88	5:21 p.m. May 18	May 18

Sincerely,

MARK RITCHIE  
Secretary of State

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2007 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2007</i>	<i>Date Filed 2007</i>
1070		89	9:10 p.m. May 18	May 19

Sincerely,

MARK RITCHIE  
Secretary of State

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 21, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House File:

H. F. No. 1758, relating to commerce; regulating access devices; establishing liability for security breaches; providing enforcement powers.

Sincerely,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

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<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2007</i>	<i>Date Filed 2007</i>
303		90	1:27 p.m. May 21	May 21
54		91	1:28 p.m. May 21	May 21
961		92	1:29 p.m. May 21	May 21
69		93	1:52 p.m. May 21	May 21
118		94	2:02 p.m. May 21	May 21
1370		95	1:46 p.m. May 21	May 21
1186		96	1:50 p.m. May 21	May 21
547		97	1:51 p.m. May 21	May 21
112		98	1:53 p.m. May 21	May 21
1333		99	2:27 p.m. May 21	May 21
1556		100	2:28 p.m. May 21	May 21
1597		101	2:58 p.m. May 21	May 21
837		102	2:29 p.m. May 21	May 21
1959		103	2:33 p.m. May 21	May 21
1581		104	2:52 p.m. May 21	May 21
241		105	3:20 p.m. May 21	May 21
1533		106	3:03 p.m. May 21	May 21
563		107	3:00 p.m. May 21	May 21
1085	1758	108	2:58 p.m. May 21	May 21
1165		109	2:56 p.m. May 21	May 21
		110	3:02 p.m. May 21	May 21

Sincerely,

MARK RITCHIE  
Secretary of State

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 23, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 532, relating to consumer protection; regulating certain contracts entered into by military service personnel; authorizing cancellations; requiring utilities to establish payment arrangements for military service personnel.

H. F. No. 2433, relating to capital investment; providing flood relief for Browns Valley; authorizing flood mitigation projects in Browns Valley; appropriating money.

H. F. No. 1409, relating to health; changing provisions for well contractor's license.

Sincerely,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2007 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2007</i>	<i>Date Filed 2007</i>
	532	111	10:13 a.m. May 23	May 23
802		114	10:20 a.m. May 23	May 23
1396		116	10:17 a.m. May 23	May 23
1075		117	10:19 a.m. May 23	May 23
221		119	10:23 a.m. May 23	May 23
	2433	122	10:16 a.m. May 23	May 23
	1409	124	10:21 a.m. May 23	May 23

Sincerely,

MARK RITCHIE  
Secretary of State

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2007 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2007</i>	<i>Date Filed 2007</i>
1302		113	3:06 p.m. May 23	May 23
2226		115	3:04 p.m. May 23	May 23

Sincerely,

MARK RITCHIE  
Secretary of State

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 24, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1973, relating to local government; enabling the merger of the Minneapolis Public Library and the Hennepin County library system; authorizing the transfer of property, assets, and certain bond proceeds related to the Minneapolis Public Library to Hennepin County; authorizing the transfer of Minneapolis Public Library employees to Hennepin County.

H. F. No. 2293, relating to claims against the state; providing for settlement of various claims; appropriating money.

Sincerely,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2007 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2007</i>	<i>Date Filed 2007</i>
1724		112	5:03 p.m. May 24	May 24
1271		118	5:05 p.m. May 24	May 24
883		120	5:06 p.m. May 24	May 24
	1973	121	4:58 p.m. May 24	May 24
26		123	5:02 p.m. May 24	May 24
2043		125	4:59 p.m. May 24	May 24
167		128	5:15 p.m. May 24	May 24
596		129	5:10 p.m. May 24	May 24
	2293	137	5:12 p.m. May 24	May 24

Sincerely,

MARK RITCHIE  
Secretary of State

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 25, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1396, relating to guardians and conservators; requiring a study to make recommendations regarding conservatorship and guardianship.

H. F. No. 1175, relating to state finance; modifying certain statutory provisions relating to aircraft facilities; modifying aircraft facilities state financing to allow flexibility in obtaining a new lessee for the facility.

H. F. No. 1208, relating to state government; changing provisions for construction codes and licensing provisions; providing penalties and enforcement; modifying provisions relating to the limitation on certain actions; instructing the revisor to renumber certain statutory sections; appropriating money; providing appropriation reductions.

Sincerely,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 25, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

I have received, approved, signed and deposited in the Office of the Secretary of State, H. F. No. 122, Chapter No. 135, 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 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,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 25, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

I have vetoed and am returning H. F. No. 464, Chapter No. 142, a bill that creates a statewide health insurance pool for school district employees.



The policy created by H. F. No. 464 is flawed on many fronts. As reflected in the testimony and written communications by the Department of Commerce and numerous other interested parties this session and in previous legislative sessions, this bill will not achieve its goal of reducing health care costs for school employees because it does not address the real issues driving health care costs.

Moreover, this bill does not provide adequate oversight and consumer protections for the insurance pool and it limits local control over this important issue. Although supported by Education Minnesota, the entity that would have significant control of the pool created by this bill, the bill was opposed by many, including the Minnesota School Boards Association, Minneapolis Public School District, Minnesota Rural Education Association, and many other state school districts and teacher groups.

Creating the statewide mandatory insurance pool required by this bill does not address the real factors that are driving school districts' health-care costs upward. The real drivers include an aging employee population, prescription drug costs, benefit plan design, utilization rates, high-tech procedures and the high cost of insuring retirees. None of these costs drivers are addressed or resolved by a statewide mandatory health insurance pool for school employees. Ironically, school districts that have worked successfully to reduce utilization and increase the health of their employees stand to be the most adversely impacted by the creation of a statewide mandatory pool.

There is little credible evidence that this bill will actually reduce premiums for participants. It is undisputed that the four percent savings estimated by the Reden and Anders study was based on assumptions that are no longer applicable to this bill. As a result, little, if any, savings are expected from this bill. In fact, the cost associated with this program, including repaying the \$4 million loan and the cost of building up reserves should the plan choose to self insure, may actually result in premium increases for these plans above market rate. This is not a good result for teachers or taxpayers.

Minnesota has over 1,000 pages of statutes relating to oversight and regulation of insurance and health care. These laws were enacted for the purpose of protecting individuals and consumers. Under this bill, issues of claims reserves, stabilization reserves, reinsurance, solvency, and the long term stability of the governing entity are left solely to the newly created Minnesota School Employee Insurance Board ("MSEIB"). Teachers may not be protected by many regulatory safeguards that apply to Minnesota consumers and other state and local governmental employees.

Although this bill allows the Commerce Commissioner to approve the plans, there is no linkage between the plans offered and the more important question of the financial stability of the pool. Plan approval is futile if the entity offering the plans is financially unstable.

The Minnesota Department of Commerce has estimated that a pool of this size, should it become self-insured, would require a minimum of \$150 million in reserves to pay for potential claims. This bill has no specific reserve requirement to ensure the stability of the program. This increases the risk of insolvency and could potentially put individuals participating in the plan at risk.

The composition of the governing Board is also a concern. The bill does not require appointment of Board members with knowledge or expertise in insurance. Such knowledge is essential to ensure that this pool will be well managed and remain viable. Expert management of this type of program is critical. If there are problems, errors, or mismanagement by the governing Board - as the state has seen in the management of a number of other locally administered pension programs - the state will likely be asked to bear the financial burden of correcting those problems, either directly or through funding it provides to schools. As we have seen in the context of teacher pension programs, this creates a significant burden on public taxpayer funds.

I believe strongly that locally elected school boards should continue to have the right to purchase business services from the best providers in the market. This is currently the case for items such as payroll services, supplies purchases, building construction, and health and other insurance products. A state law that mandates that districts purchase insurance from a sole provider takes away a right from local employee groups and local boards to choose

their provider. As a result, it is likely that most districts will end up paying more for their health insurance. Eliminating local control of plan design also creates little incentive to continue to reduce costs and little ability for local entities to address their unique concerns.

The bill also under funds and caps the pool's tax obligations. The pool should pay the entire Minnesota Comprehensive Health Association assessment now and in the future. Should the pool dissolve, some of the 200,000 enrollees will have to seek private health care coverage and some will not be insurable, meaning they will likely go to the Minnesota Comprehensive Health Association (MCHA) for coverage. If MCHA is to assume this potential liability, it must have the level of resources appropriate to serve its customers. Like all other insurers in the state, including those which insure government employees, the pool should pay the entire one percent premium tax and the MCHA assessment. Allowing exemptions to the funding sets a bad precedent and will likely result in other insurers of governmental and non-profit groups to seek similar exemptions.

In short, this bill leaves too many issues unresolved, including the primary issue of whether the program will result in any real savings in insurance costs for teachers. The bill fails to provide adequate consumer protection and creates a governance model that fails to require expertise and knowledge of insurance and insurance finances. The bill also removes local control over this importance issue and is opposed by many school districts and teacher groups.

Alternatives to lower and stabilize premiums for teachers exist and were discussed during the legislative process. It is unfortunate that these alternatives were not pursued. Finding affordable health care options for all Minnesotans, including teachers, is important to Minnesota's economic vitality. There are several efforts underway to reform Minnesota's health care system. I urge supporters of this bill to join these efforts.

Sincerely,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 25, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

I have received, approved, signed and deposited in the Office of the Secretary of State, H. F. No. 1078, Chapter No. 147, the Omnibus Health and Human Services bill, with the exception of item vetoes listed below.

The following items of appropriation are vetoed:

1. Page 455, lines 455.18 - 455.19: By deleting the words "and \$7,291,000 in fiscal year 2009," I have vetoed the \$7,291,000 appropriation for the 2009 fiscal year. This was an appropriation for supported work for MFIP participants. The manner in which this money is used is not optimal and there are more effective ways to accomplish goals in this area. Vetoing second year funding gives the state an opportunity during the next legislative session to develop more cost effective alternatives to meeting our federal work requirements.

2. Page 456, line 456.27 - Page 457, line 457.2: This appropriation of \$750,000 each fiscal year is for work study grants for individuals receiving MFIP assistance. The beneficiaries of these grants are the schools who should already be paying for work performed as part of the work study arrangement. Subsidies to colleges for work study positions for MFIP recipients are also not a necessity given the Legislature's decision to repeal MFIP's 20-hour work requirement.
3. Page 466, lines 466.16 - 466.26: This \$1,500,000 per year appropriation is for auto repairs, auto loans, and auto purchase grants to individuals who are eligible for MFIP. This provision creates a permanent MFIP program that pays for car loans. Such loans are not an eligible use of TANF funds.
4. Page 470, lines 470.25 - 470.27: This \$50,000 per year appropriation is for a grant to HOMELINE for a tenant hotline service program. This provision earmarks funding for a specific provider as opposed to using a competitive grant process for the delivery of this service.
5. Page 475, line 475.21 - Page 476, line 476.2: This \$300,000 appropriation is for a state health policies grant. This provision does not have statewide applicability and it does not require that any results or findings be documented as a result of the investment. A study of this kind should also be reported to the responsible agency, not to the Legislature.
6. Page 477, lines 477.18 - 477.22: This is an appropriation of \$950,000 in the first year and \$1,000,000 in the second year from the health care access fund for a statewide media campaign. This type of funding represents an inefficient means to increase the number of insured Minnesotans. This bill otherwise funds numerous other outreach efforts which will have a much more direct effect on improving the number of Minnesotans covered by health insurance.
7. Page 487, lines 487.20 - 487.26: This is a \$4,302,000 appropriation to repay Fillmore, Steele, and St. Louis Counties for their overspending in the waiver program. I have vetoed this item of appropriation because it sets a bad precedent and provides a disincentive for counties to carefully manage and monitor their programs.
8. Page 490, lines 490.18 - 490.23: This \$200,000 appropriation is for heart disease and stroke prevention. At the start of the legislative session, federal funding for heart disease and stroke prevention did not look likely. However, the Department of Health has been notified that their federal grant will be renewed. As a result, additional state funding is not needed at this time.
9. Page 498, lines 498.7 - 498.15: This is an \$80,000 per year general fund appropriation for HIV information. At the start of the legislative session, the Department of Health and the Department of Human Services anticipated that they would not be able to continue to support the existing HIV hotline. In the interim, however, DHS has been awarded a federal HIV grant that is sufficient to continue funding of the HIV Information hotline.

Sincerely,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 25, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Madam Speaker:

It is my honor to inform you that I have received, approved, signed, and deposited in the Office of the Secretary of State, H. F. No. 548, Chapter No. 148, with the exception of item veto listed below.

I have exercised an item veto of the following item of appropriation:

Page 19, line 19.32 - Page 20, line 20.6: An \$80,000 appropriation in Chapter No. 148, Article 1, Section 29 for the acquisition of an Indian burial site in Becker County.

I support the protection of burial grounds and was pleased to recently sign S. F. No. 2226, Chapter No. 115 that will clarify and strengthen Minnesota's laws regarding burial sites, but does not require the state to purchase property. This appropriation, however, would establish a precedent under this new law for the state to purchase and maintain property. Initiating such a practice would have long term financial implications to the state.

Sincerely,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2007 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2007</i>	<i>Date Filed 2007</i>
	1396	126	12:53 p.m. May 25	May 25
1048		130	3:31 p.m. May 25	May 25
1131		131	1:04 p.m. May 25	May 25
1262		132	1:00 p.m. May 25	May 25
1377		133	4:49 p.m. May 25	May 25
430		134	4:55 p.m. May 25	May 25
	122*	135	3:20 p.m. May 25	May 25
145		136	12:57 p.m. May 25	May 25
	1175	138	4:15 p.m. May 25	May 25
184		139	12:48 p.m. May 25	May 25
	1208	140	3:30 p.m. May 25	May 25
1196		141	3:32 p.m. May 25	May 25
1966		145	3:29 p.m. May 25	May 25
	1078*	147	2:48 p.m. May 25	May 25
	548*	148	12:26 p.m. May 25	May 25
493		150	3:40 p.m. May 25	May 25

Sincerely,

MARK RITCHIE  
Secretary of State

[NOTE: \* Indicates that H. F. Nos. 122, 1078 and 548 contain line item vetoes.]

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 30, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

It is my honor to inform you that I have received, approved, signed, and deposited in the Office of the Secretary of State, H. F. No. 562, Chapter No. 143, with the exception of the item veto listed below:

Page 5, lines 5.5 - 5.8: A \$200,000 grant in Article 1, Section 3 to the Humphrey Institute of Public Affairs for participation in the Urban Partnership Agreement (UPA) Congestion program.

The Minnesota Department of Transportation and the Metropolitan Council have submitted a proposal to the United States Department of Transportation for funding of congestion relief strategies under the federal Urban Transportation Partnership (UPA) program. This bill allows spending of "up to" \$1 million from the state

Trunk Highway Fund to fund state activities in support of the UPA proposal and program. I support this appropriation. However, this bill also appropriates \$200,000 of those funds to the Humphrey Institute of Public Affairs for participation in the UPA program. I appreciate the Humphrey Institute's interest in the UPA program. However, if the state is to fund their activities with Trunk Highway funds, those activities must be managed by the Minnesota Department of Transportation under appropriate consulting and/or technical service contractual agreements.

Sincerely,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 30, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Representative Kelliher:

I have received, approved, signed and deposited in the Office of the Secretary of State, H. F. No. 1063, Chapter No. 144, with the exception of the following line-item vetoes:

1. Page 6, lines 6.17 - 6.23: A \$100,000 appropriation each year in Chapter No. 144, Article 1, Section 3 must be transferred to the Loan Repayment Assistance Program Inc., ("LRAP") for loan repayment assistance awards to attorneys who enter "public interest law." LRAP was created in 1991 by law students and legal organizations. For more than 15 years, it administered a loan repayment program without direct funding from Minnesota taxpayers. Minnesota's legal community should continue its commitment to LRAP and its financial support of their loan forgiveness program.

Although I support programs that offer assistance for attorneys who provide legal services to low-income and disadvantaged individuals, the LRAP Program broadly defines "Public Interest Law" and is not limited to attorneys providing services to low-income and disadvantaged individuals. I am also concerned that the current LRAP program criteria would not ensure that state taxpayer funds would be used to provide loan assistance to attorneys who are working in Minnesota. The use of state funds needs to be targeted to attorneys who are actually working to provide legal services to poor and disadvantaged Minnesotans. As drafted, this appropriation would become part of the higher education base budget. Before this occurs, the need for state funding (as opposed to continued support from the legal community) and the targeting of state funds to serve disadvantaged Minnesotans should be addressed.

2. Pages 6 and 7, lines 6.24 - 7.8: A \$50,000 appropriation in fiscal year 2008 in Chapter No. 144, Article 1, Section 3 for the Washington Center for Internships and Academic Seminars for a pilot program for scholarships for students enrolling in a Minnesota four-year college or university beginning the fall semester

of 2007. I support the concept of internships. However, Minnesota's many universities and colleges are currently working with private organizations to set-up internships for students without a direct state appropriation. This program creates a duplicative process.

Sincerely,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 30, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Representative Kelliher:

I have reluctantly signed H. F. No. 2245, Chapter No. 146 and deposited it in the Office of the Secretary of State. This K-12 education bill failed to provide the level of general formula funding I proposed. It is also devoid of any real educational reform or accountability initiatives. Worse yet, the bill actually steps backward from the reform efforts from prior years.

The bill was signed with the exception of the following item vetoes:

1. Page 20, lines 20.11 - 20.14: A \$75,000 appropriation in FY 2008 in Chapter No. 146, Article 1, Section 24 to hire an independent contractor to assist the education finance task force authorized in the bill. The Minnesota Department of Education, House and Senate staff is available to assist the task force, thus making this appropriation unnecessary and duplicative. This task force will be the third such effort in the last four years. The need for another such task force is questionable. More troubling is the legislature's decision to have the task force consist of nearly all legislators with no members being appointed by the Governor.
2. Page 62, lines 62.4 - 62.9: A \$200,000 appropriation in FY 2008 and \$200,000 in FY 2009 in Chapter No. 146, Article 2, Section 44, subd. 1 for the Independent Office of Educational Accountability. This appropriation and the duties for the Office of Educational Accountability duplicates the services and duties provided by the Minnesota Department of Education, numerous stakeholder groups and various working groups already in progress through the P-16 Partnership and higher education institutions. Creation and funding of yet another entity to duplicate these services is not an efficient use of state resources.
3. Page 67, lines 67.18 - 67.32: A \$250,000 appropriation in FY 2008 and \$250,000 in 2009 in Chapter No. 146, Article 2, Section 46 to pay teachers for National Board for Professional Teaching Standards certification. I am strongly supportive of meaningful professional development. However, this significant appropriation would only serve a limited number of teachers. Recent studies, including one conducted by professors at the University of Wisconsin - Madison and Florida State University, also raise serious questions about the cost-effectiveness of this particular program. To be meaningful, teacher professional development programs

should be assessed as to their effect on student achievement. If individual school districts determine that this certification is effective, the school districts can pay for participation in the program or grant additional compensation for obtaining this certification.

In addition, the appropriation and the language creating the grant program is problematic and confusing. Rather than providing incentives for teachers to pursue certification, the majority of the appropriation is for "rewards" to teachers who already completed the program. In addition, the "reward" is mandated for a specific amount which actually *exceeds* the cost of the program. The funds are also required to be paid to individual teachers without consideration as to whether the teacher personally paid the costs of the program or whether additional compensation benefits cover the cost of the program. Finally, there appears to be a drafting error in language of the appropriation. The appropriation provides set amounts of funding for specific grants set forth in Chapter No. 144, Article 2, Section 37, Subd. 4. However, no funds were appropriated for the \$3,000 grants mandated by Art. 2, Section 37, Subdivision 4(b). To ensure that this item veto removes all of the state funding authorized for this grant program, I am also exercising an item veto on Page 56, lines 21 through 23.

4. Page 111, lines 111.20 - 111.28: A \$4.5 million appropriation in Chapter No. 146, Article 6, Section 3, subd. 6 for the merger of the Hennepin County and Minneapolis library systems. I recently signed Chapter No. 121 into law which permitted the county and city to pursue the library merger. During the legislative process, the interested parties represented that the library merger had no fiscal impact on the state and that the merger was fiscally prudent. If state funding was necessary for the proposed library merger, the requested funding needed to be part of Chapter No. 121 and included in the legislative discussion relating to Chapter No. 121 - not buried in the omnibus education funding bill. It is unclear whether Chapter No. 121 would have received the approval by the legislature or my approval if it had been represented that the merger had a state or local fiscal impact of \$4.5 million. The merger decision is a local decision between the Hennepin County Board and the Minneapolis City Council. Those entities should carefully consider the fiscal benefits and impacts of their planned merger.

Sincerely,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2007 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:



<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2007</i>	<i>Date Filed 2007</i>
	562*	143	11:54 a.m. May 30	May 30
	1063*	144	4:54 p.m. May 30	May 30
	2245*	146	11:51 a.m. May 30	May 30

Sincerely,

MARK RITCHIE  
Secretary of State

[NOTE: \* Indicates that H. F. Nos. 562, 1063 and 2245 contain line item vetoes.]

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 30, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

I have vetoed and am returning H. F. No. 2268, Chapter No. 149, the omnibus tax bill.

I am supportive of many of the tax provisions in the bill such as increases in direct property tax relief to homeowners, sales tax exemptions for agricultural products, acceleration of the single sales factor for corporate income tax and the increase for the military combat credit.

Unfortunately, the bill contains a policy provision that would put government growth on autopilot. I was very clear in communicating my opposition to this measure. DFL leadership and staff were aware prior to the end of session that its inclusion would result in the entire bill being vetoed. This provision could have been removed from the bill prior to final passage, but DFL leadership made a different choice.

When legislators and the Governor assemble the state budget, we shouldn't assume that every program should automatically grow. We need to examine every taxpayer dollar that will be spent and ensure that we are streamlining and keeping government efficient and effective. For some programs, increases will be warranted. Other programs, however, may deserve a smaller increase or perhaps no increase at all. Each program should be evaluated on its merits and the overall growth in the budget should reflect that type of approach rather than assuming autopilot increases.

I also have concerns over the distribution of the property tax relief in the bill as it is not properly balanced geographically. Too much relief would be provided through local government aid programs that benefit only half the population. More relief should have flowed directly to all homeowners.

Buying down property taxes through local government aid programs has never proven to be a long-term solution to property tax pressures. The only way to truly hold down local property tax increases is by capping them.

The class rate increases for utilities and pipelines contained in the bill are also a concern. I recommended aid replacement for the few communities most impacted by the Department of Revenue utility market valuation rule change. This bill instead increases the class rate on these properties to offset the market valuation changes. The result will likely be a windfall increase in revenues for some of these communities above and beyond the impact of the rule change. Ultimately, consumers will pay the increased cost.

Another problematic provision is the use of the fiscal disparities program to fund the expansion at the Mall of America. I support having the state assist with public infrastructure improvements related to the Mall of America expansion and would encourage the legislature to explore another funding source that will allow the project to move forward.

I am hopeful that some of the positive attributes of this bill will be passed into law in a form that can be signed in the future.

Sincerely,

TIM PAWLENTY  
Governor

### **DISPOSITION OF BILLS UPON ADJOURNMENT**

Pursuant to House Rule 4.20, the following bills were returned to the standing committee or division last acting on the bill:

H. F. Nos. 1633, 1683 and S. F. Nos. 590, 1260, 1285, 1388, 1405, 1417 and 1432 were returned to the Committee on Agriculture, Rural Economies and Veterans Affairs.

H. F. Nos. 111, 475, 529, 765, 766, 1224, 1335, 1499, 1543, 1665 and S. F. Nos. 543, 599 and 875 were returned to the Committee on Commerce and Labor.

H. F. Nos. 258, 1642 and S. F. No. 13 were returned to the Committee on E-12 Education.

H. F. Nos. 375 and S. F. Nos. 1200, 1335, 1363, 1696, 1857 and 1998 were returned to the Energy Finance and Policy Division.

H. F. Nos. 260, 587, 1382, 1477 and S. F. Nos. 65, 1185 and 1274 were returned to the Committee on Environment and Natural Resources.

H. F. Nos. 1420 and 1873 were returned to the Committee on Finance.

H. F. Nos. 524, 754, 1190, 1336 and S. F. Nos. 19, 123, 226, 248, 380, 458, 753, 758, 893, 1218, 1310, 1312, 1350 and 1558 were returned to the Committee on Governmental Operations, Reform, Technology and Elections.

H. F. Nos. 599, 634, 1849 and S. F. Nos. 475 and 1398 were returned to the Committee on Health and Human Services.

H. F. No. 826 and S. F. No. 886 were returned to the Higher Education and Work Force Development Policy and Finance Division.

H. F. Nos. 611, 1376, 1437, 1492, 1611, 1762 and S. F. No. 252 were returned to the Committee on Local Government and Metropolitan Affairs.

H. F. Nos. 117, 131, 415, 635, 999, 1225, 1306, 1595, 1948, 2290 and S. F. Nos. 100, 1126 and 1822 were returned to the Committee on Public Safety and Civil Justice.

H. F. Nos. 683, 2389, 2468, 2479 and S. F. Nos. 108 and 470 were returned to the Committee on Rules and Legislative Administration.

H. F. No. 496 was returned to the Committee on Taxes.

H. F. Nos. 904, 1116, 1901, 2253 and S. F. Nos. 345 and 997 were returned to the Committee on Ways and Means.

#### REPORT PURSUANT TO JOINT RULE 3.02(a)

Pursuant to Joint Rule 3.02(a) the following bills, which were being considered by a Conference Committee at the time of adjournment, were returned to the House and laid on the table and the Conference Committees were discharged:

H. F. Nos. 6, 1351, 2285 and 2362.

#### REPORT PURSUANT TO JOINT RULE 3.02(b)

Pursuant to Joint Rule 3.02(b) the following bills which were re-referred to the House Committee on Rules and Legislative Administration pursuant to Joint Rule 2.03 were returned to the standing committee or division to which they were last previously referred.

H. F. No. 2310 and its companion, S. F. No. 2212, were returned to the Higher Education and Work Force Development Policy and Finance Division.

#### REPORT PURSUANT TO JOINT RULE 3.02(c)

Pursuant to Joint Rule 3.02(c), the following bills were returned to the House by the Governor with his objections and laid on the table:

H. F. Nos. 464 and 2268.

#### CERTIFICATE

I certify that the Journal of the House for Monday, May 21, 2007, including subsequent proceedings, has been corrected and is hereby approved.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

