

COMMUNICATIONS RECEIVED PRIOR TO ADJOURNMENT SINE DIE
AND NOT ACTED UPON

The following communications were received prior to adjournment sine die by the House:

PETITIONS AND COMMUNICATIONSSTATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 16, 2008

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

Dear Speaker Anderson Kelliher:

I have vetoed and am returning H. F. No. 6, Chapter No. 332, the Omnibus K-12 Education Finance Bill.

At the start of the session, I proposed a solution that held education harmless from cuts and made a modest investment in education reform initiatives. Unfortunately, rather than seizing an opportunity to pass legislation that would provide students with greater access to rigorous coursework and create new pathways to recruit and retain high quality teachers, the Legislature passed this bill that contains no education reform and, in fact, moves backward on existing education reform and accountability initiatives.

I am disappointed that the Legislature chose to freeze school district participation in the Q Comp program, which promotes performance based compensation for teachers. Q Comp has demonstrated great success in the districts and schools that have implemented the program. Approximately 30 additional districts and schools are in the process of applying for the Q Comp program for the 2008-2009 school year. This bill will essentially eliminate the possibility for new districts and schools to join the program.

This bill also reflects misplaced priorities as it reduces or eliminates other important programs that measure student progress and help ensure that students can prepare for post-secondary academic and career success. The funding reductions in Fiscal Years 2008 and 2009 - and elimination of all future funding - for the College Level Examination Program (CLEP) and the Educational Planning and Assessment Systems (EPAS) programs are examples of misplaced priorities that will stifle the state's ability to provide preparation opportunities and support to students as they transition to higher education. In addition, the permanent reductions to the statewide testing program would make it extremely difficult to meet state and federal testing requirements to assess student and school performance.

In addition to taking funding away from important reform, assessment, and post-secondary preparation priorities, this bill increases overall state spending without paying for that spending within the context of our state budget challenges. Until there is a global agreement reached on how the state will balance the state budget, I am not approving any additional bills that significantly increase overall state spending. Passing this bill outside of an agreement solving the budget shortfall is irresponsible.

In the future, I hope the Legislature will join me in working to ensure that we have a strong education accountability system, policies to recruit the best and brightest into the teaching profession, and a shared priority of maximizing the significant investment Minnesota already makes in K-12 education. It is my hope that we can work together collaboratively in future legislative sessions to create opportunities that improve student performance and achievement and lead to real educational reform.

Sincerely,

TIM PAWLENTY
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 18, 2008

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

Dear Speaker Anderson Kelliher:

I have vetoed and am returning H. F. No. 1875, Chapter No. 346, a bill that creates a statewide school employee health insurance pool.

This bill is similar to the statewide teacher health pool bill I vetoed last year except that, under this bill, the pool would operate as a fully insured pool rather than a self-insured pool. Although this change resolves some of the solvency and regulation related concerns I raised last year, many of the other concerns outlined in my prior veto message have not been addressed. In addition, the structure of the fully insured health insurance pool under this bill raises several new areas of concern.

The structure of the proposed school employee health insurance pool was fundamentally changed late in the legislative session. Thus, the impacts and costs to school districts associated with this new structure were not fully vetted during regular committee hearings. These impacts may be significant and need to be fully understood.

Indeed, some cost estimates suggest that mandating school districts to purchase insurance through this fully insured pool could increase costs to school districts by as much as \$110 million per year. Questions have also been raised about the impact of requiring school districts that are self-insured to purchase into the fully insured health insurance pool and the impact this could have on administrative costs. Given the magnitude of the changes to the proposed health insurance pool, further study and discussion is needed to understand the full impacts and costs created by this bill. It does not make sense for the state to mandate that school districts obtain health insurance from a health insurance pool if participating school districts do not achieve significant savings.

This bill also permits \$4 million to be spent out of the state budget reserve. This spending is outside of the budget agreement reached between my office and the House and Senate leaders. I am not willing to support additional spending from the state budget reserves that is not included in the global agreement reached with legislative leaders.

I also question the need for this \$4 million in new spending. In past versions of this bill, the funding was for the establishment of a self-insured health insurance pool. Because this bill would create a fully insured pool, the initial reason supporting the spending may no longer exist.

For these reasons, I have vetoed H. F. No. 1875.

Sincerely,

TIM PAWLENTY
Governor

MESSAGES AND COMMUNICATIONS RECEIVED
SUBSEQUENT TO ADJOURNMENT SINE DIE

The following messages and communications were received subsequent to adjournment sine die by the House:

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 4166, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2006, sections 3.7394, subdivision 3, as added; 16B.335, subdivision 2, as amended; 169.865, as added; 260C.007, subdivision 18; Minnesota Statutes 2007 Supplement, sections 16A.531, subdivision 1a; 341.25, as amended; Laws 2005, First Special Session chapter 1, article 4, section 39, as amended; Laws 2008, chapter 154, article 3, section 3; Laws 2008, chapter 179, sections 3, subdivision 12; 5, subdivision 5; 11; 15, subdivision 7; 21, subdivision 15; 2008 H. F. No. 1724, section 14, if enacted; proposing coding for new law in Minnesota Statutes, chapter 3.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Madam Speaker:

This is to inform you that the Senate is about to adjourn the Eighty-Fifth Legislative Session sine die.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 15, 2008

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. 3574, relating to the State Building Code; regulating the application and enforcement of the State Building Code; modifying continuing education course content for residential contractors and remodelers; requiring commercial general liability insurance for licensees; authorizing Duluth Entertainment and Convention Center Authority to enter contract for construction work on entertainment and convention center.

H. F. No. 3222, relating to human services; amending health care services provisions; making changes to a managed care contract provision; increasing a HMO renewal fee; changing provisions relating to sex offender program; changing a work activity provision under MFIP; requiring a report; 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 2008 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 2008</i>	<i>Date Filed 2008</i>
3576		307	3:02 p.m. May 15	May 15
3669		308	2:46 p.m. May 15	May 15
3140		309	2:35 p.m. May 15	May 15

3672		311	2:33 p.m. May 15	May 15
2379		312	2:36 p.m. May 15	May 15
2909		313	2:44 p.m. May 15	May 15
3303		314	2:41 p.m. May 15	May 15
3235		315	6:19 p.m. May 15	May 15
3492		316	2:43 p.m. May 15	May 15
3563		317	3:03 p.m. May 15	May 15
2941		321	1:10 p.m. May 15	May 15
	3574	322	3:11 p.m. May 15	May 15
2876		325	2:50 p.m. May 15	May 15
	3222	326	6:25 p.m. May 15	May 15

Sincerely,

MARK RITCHIE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 16, 2008

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. 4223, relating to local government; establishing the Business Energy Accountability Act; modifying subordinate service district provisions; providing for transfer of certain drainage systems; providing for interim uses in zoning; modifying charter commission provisions; modifying title registrars' fees; modifying Minnesota Common Interest Ownership Act; modifying Minneapolis dedication fee provisions.

H. F. No. 3367, relating to the open meeting law; requiring closed meetings to be recorded; granting attorney fees in certain cases.

H. F. No. 3699, relating to elections; authorizing use of certain ballots; providing for discretionary partial recounts; specifying certain procedures; changing certain voting system requirements; transferring certain funds.

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 2008 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 2008</i>	<i>Date Filed 2008</i>
2833		328	4:12 p.m. May 16	May 16
	4223	331	4:03 p.m. May 16	May 16
2390		333	4:08 p.m. May 16	May 16
	3367	335	4:09 p.m. May 16	May 16
	3699	336	4:13 p.m. May 16	May 16

Sincerely,

MARK RITCHIE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 18, 2008

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. 3420, relating to property; revising procedures and fees charged by county registrars of title for registering supplemental declarations of common interest communities; providing for transfer on death deeds; clarifying acknowledgments made in a representative capacity; clarifying application of certain common law doctrine to registered land; eliminating obsolete language and making other technical and conforming changes; modifying the Uniform Probate Code; amending provisions relating to mortgage foreclosure; providing for foreclosure prevention counseling; prescribing preforeclosure and foreclosure notices.

H. F. No. 3783, relating to commerce; regulating insurance fees, coverages, contracts, filings, and forms; regulating financial planners, motor vehicle retail installment sales, service contracts, real estate appraisers, subdivided lands, domestic mutual insurance companies, and collection agencies; merging certain joint underwriting associations; making technical and clarifying changes.

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 2008 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 2008</i>	<i>Date Filed 2008</i>
	3420	341	4:04 p.m. May 18	May 18
3377		343	3:22 p.m. May 18	May 18
	3783	344	4:02 p.m. May 18	May 18

Sincerely,

MARK RITCHIE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 19, 2008

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. 3034, relating to construction professions; modifying provisions relating to the electrical, plumbing, water conditioning, boiler, and high-pressure piping professions.

H. F. No. 3955, relating to state government; regulating certain payments to I-35W bridge collapse survivors; promoting community-based care for older adults through the establishment of a community consortium demonstration project; establishing a community consortium account in the general fund to distribute pooled resources; requiring an evaluation of the demonstration project.

H. F. No. 3195, relating to environment; establishing the Legislative Greenhouse Gas Advisory Group; requiring studies and reports to the legislature regarding cap and trade program for greenhouse gases; 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 2008 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 2008</i>	<i>Date Filed 2008</i>
	3034	337	10:03 a.m. May 19	May 19
	3955	338	10:02 a.m. May 19	May 19
	3195	340	11:13 a.m. May 19	May 19

Sincerely,

MARK RITCHIE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 23, 2008

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. 1724, relating to occupations and professions; providing for registration of naturopathic doctors; establishing an advisory council; appropriating money.

H. F. No. 3800, relating to transportation; modifying or adding provisions relating to highways, motor vehicles, vehicle registration, traffic regulations and surcharges, commercial vehicles and vehicle combinations and permits, pupil transportation and school bus drivers, drivers' licenses, driver training, motor fuels, the State Patrol, transit and paratransit planning, the transfer of right-of-way to state rail bank, nonmotorized transportation, transportation finance, and other transportation-related programs or practices; requiring studies and reports; imposing penalties; appropriating money.

H. F. No. 3376, relating to human services; changing provisions in the MFIP work participation program licensing and child care; making technical changes; changing child welfare provisions; establishing the Interstate Compact for the Placement of Children; changing provisions for child placement; establishing child in voluntary foster care for treatment; changing data privacy provisions.

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 2008 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 2008</i>	<i>Date Filed 2008</i>
	1724	348	11:55 a.m. May 23	May 23
	3800	350	12:01 p.m. May 23	May 23
3360		353	12:14 p.m. May 23	May 23
2809		355	11:50 a.m. May 23	May 23
3096		356	12:19 p.m. May 23	May 23
3056		357	12:17 p.m. May 23	May 23
	3376	361	11:54 a.m. May 23	May 23
3322		364	11:57 a.m. May 23	May 23
2492		367	12:13 p.m. May 23	May 23
2651		368	12:37 p.m. May 23	May 23

Sincerely,

MARK RITCHIE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 27, 2008

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. 3082, relating to retirement; various retirement plans; adding two employment positions to the correctional state employees retirement plan; including certain departments of the Rice Memorial Hospital in Willmar and the Worthington Regional Hospital in privatized public employee retirement coverage; providing for the potential dissolution of the Minnesota Post Retirement Investment Fund; increasing teacher retirement plan reemployed annuitant earnings limitations; temporarily exempting Metropolitan Airports Commission police officers from reemployed annuitant earnings limits; mandating joint and survivor optional annuities rather than single life annuities as basic annuity form; making various changes in retirement plan administrative provisions; clarifying direct state aid for the teacher retirement associations; clarifying the handling of unclaimed retirement accounts in the individual retirement account plan; providing for a study of certain Minnesota State Colleges and Universities System tenure track faculty members; modifying the manner in which official actuarial work for public pension plans is performed; allowing pension plans greater latitude in setting salary and payroll assumptions; extending amortization target dates for various retirement plans; making the number and identity of tax-sheltered annuity vendors a mandatory bargaining item for school districts and their employees; allowing a certain firefighter relief association certain benefit increases; requiring a review of teacher benefits; allowing security broker-dealers to directly hold local pension plan assets; increasing upmost flexible service pension maximum amounts for volunteer

firefighters; creating a voluntary statewide volunteer firefighter retirement plan advisory board within the Public Employees Retirement Association; allowing various retirement plans to accept labor union retired member dues deduction authorizations; authorizing various prior service credit purchases; authorizing certain service credit and coverage transfers; authorizing a disability benefit application to be rescinded; authorizing a retirement coverage termination; providing an additional benefit to certain injured Minneapolis bomb squad officers; allowing certain Independent School District No. 625 school board members to make back defined contribution retirement plan contributions; revising post-2009 additional amortization state aid allocations; modifying PERA-P&F duty disability benefit amounts; authorizing a PERA prior military service credit purchase; revising the administrative duties of the board and the executive director of the Minnesota State Retirement System; appropriating money.

H. F. No. 3346, relating to housing; providing assistance to prevent mortgage foreclosure; increasing the maximum amount of financial assistance.

H. F. No. 4166, relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors.

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 2008 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 2008</i>	<i>Date Filed 2008</i>
3594		347	12:10 p.m. May 27	May 27
	3082	349	12:09 p.m. May 27	May 27
	3346	362	12:11 p.m. May 27	May 27
2597		369	12:50 p.m. May 27	May 27
	4166	370	1:01 p.m. May 27	May 27

Sincerely,

MARK RITCHIE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 29, 2008

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

Dear Speaker Kelliher:

I have signed into law, with the following line-item veto, the Supplemental Budget Bill, H. F. No. 1812, Chapter No. 363.

- Lines 56.15 to 56.22: An appropriation for \$134,000, for the development and adoption of rules to regulate emission standards of motor vehicles sold in the state of Minnesota.

The policy bill to be supported by this appropriation did not pass. Nonetheless, this appropriation was inadvertently included in H. F. No. 1812. This appears to be an oversight and funding for this activity was also not a part of the global agreement reached between my Administration and legislative leadership. Legislative leaders have acknowledged this oversight, and they do not object to this line-item veto.

Sincerely,

TIM PAWLENTY
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 29, 2008

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. 4072, relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; authorizing the sale of state bonds; modifying previous appropriations; appropriating money.

H. F. No. 3149, relating to the financing and operation of state and local government; modifying property tax refund; making policy, technical, administrative, enforcement, collection, refund, clarifying, and other changes to income, franchise, property, sales and use, minerals, aggregate, motor vehicle, wheelage, mortgage, deed, cigarette and tobacco, gasoline, and estate taxes, and other taxes and tax-related provisions; providing for aids to local

governments; changing, eliminating, and providing property tax exemptions and credits; modifying job opportunity building zone program; modifying green acres; providing aggregate resource preservation property tax law; modifying levies, property valuation procedures, homestead provisions, property tax classes, and class rates; providing for and modifying sales tax exemptions; exempting two-wheel, motorized vehicles from wheelage tax; providing credits; providing for additional financing of metropolitan area transit and paratransit capital expenditures; authorizing issuance of certain obligations; modifying provision governing bonding for county libraries; changing and authorizing powers, duties, and requirements of local governments and authorities and state departments or agencies; modifying, extending, and authorizing certain tax increment financing districts; authorizing and modifying local sales taxes; providing federal updates; changing accelerated sales tax; creating Surplus Lines Association of Minnesota; changing provisions related to data practices and debt collection; requiring studies; providing appointments; providing levy limits; modifying taxation of foreign operating corporations; requiring a state review and approval of a local economic development project; modifying park board fees; modifying certain tax districts; providing for sale of forest lands; prohibiting imposition of new local sales tax; providing income tax credit for military service; providing economic development powers and incentives; providing health insurance credit; 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 2008 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 2008</i>	<i>Date Filed 2008</i>
3780		358	2:20 p.m. May 29	May 29
	1812*	363	8:26 a.m. May 29	May 29
	4072	365	2:35 p.m. May 29	May 29
	3149	366	8:27 a.m. May 29	May 29

Sincerely,

MARK RITCHIE
Secretary of State

[NOTE: * Indicates that H. F. No. 1812, Chapter No. 363, contains a line item veto.]

Pursuant to Article IV, Section 23 of the Minnesota Constitution and Minnesota Statutes, Chapter 4, Section 4.034, the following bills were pocket vetoed by the Governor after adjournment sine die by the Legislature:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 23, 2008

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

Dear Speaker Anderson Kelliher:

I write to inform you that H. F. No. 2748, Chapter No. 359, has been vetoed. Although return of the bill to the house of origin and a veto message are not required because the Legislature has adjourned *sine die*, I wanted to share my concerns about this bill with the Legislature.

This bill provides preference for one county-based purchasing health plan. It requires the Department of Human Services to assign individuals who reside in certain counties and who do not choose a specific managed health plan, to a specified county-based purchasing health plan. Under current law, individuals who do not select a specific managed health plan are sequentially assigned among all participating health plans. Statutorily mandated preferences in this fashion decreases competition between managed care plans and diminishes the Department of Human Services' ability to purchase health care on a statewide competitive basis.

Historically, approximately 30 percent of people enrolled in managed care plans through Minnesota Health Care Programs do not make a specific health plan choice. Thus, the provision in this bill that gives preference to a specific county-based purchasing health plan when an enrollee does not make a choice, guarantees the county-based plan approximately 30 percent additional marketshare in the absence of any competition. This is in addition to the market share it would receive from those enrollees who affirmatively choose the county-based health plan.

County-based purchasing plans have typically had higher administrative costs than many of the other health plans. Mandating enrollment in these plans is concerning because it diminishes the pressure competition provides to keep administrative costs down.

This bill would apply to one county based purchasing health plan called the StedFast Health Plan. StedFast has not yet begun operations and will not begin enrollment until October 2008. Thus, this bill would direct enrollees into a new, as of yet, untested health plan.

The automatic preference provided by this bill also undermines the state's efforts toward meaningful health care reform. As part of our health care reform efforts, we are encouraging people to develop health care homes with their primary care providers. Enrollees who do not select their preferred provider at the time of their enrollment will be enrolled in a new health plan and may need to get services from a new provider. This is in conflict with a federal policy that requires the Department of Human Services to preserve enrollees' relationship with primary care providers and represents a step backward when compared with Minnesota's health care reform goals.

For these reasons, I have vetoed Chapter No. 359.

Sincerely,

TIM PAWLENTY
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 29, 2008

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

Dear Speaker Anderson Kelliher:

I write to inform you that I have vetoed H. F. No. 995, Resolution No. 3, a legislative resolution related to "Peak Oil." Although return of the bill to the house of origin and a veto message is not required because the Legislature has adjourned *sine die*, I wanted to share my reasons for this veto with the Legislature.

Using a legislative resolution to direct state executive branch action is an inappropriate use of the legislative resolution process. In addition, a legislative resolution requiring agencies to conduct a statewide assessment study regarding "peak oil" without identifying appropriate funding or other support for the study is not an effective step in our efforts.

This is the third of three resolutions passed by the Legislature that I have vetoed this year. If the legislature desires to enact policy, it should pass a law and provide funding necessary to implement the policy. Legislative resolutions should not be a substitute for legitimate debate or a way to circumvent the lawmaking process provided by the Minnesota Constitution.

My Administration will continue to prepare Minnesota for the energy challenges of the 21st Century and has already taken action to reduce our state's reliance on foreign sources of energy. In January I announced the creation of the Office of Energy Security (OES) in the Department of Commerce. Under the direction of Edward Garvey, OES continues to examine these and other issues to ensure that Minnesota is at the leading edge of energy reform efforts.

As to the substance of the resolution, "Peak Oil" refers to a concept regarding the point of maximum production of the world's oil supply, after which the rate of production declines.

Researchers have differing viewpoints regarding when "peak oil" will occur. A report by the Energy Information Administration (EIA) section of the U.S. Department of Energy states that, depending on demand, peak world convention crude oil production "could plausibly occur anywhere between 2021 at a volume of 48.5 billion barrels per year and 2112 at a volume of 24.6 billion barrels per year, though neither of these extremes has a substantial probability of occurrence."

The EIA researchers note that the peak of worldwide production of crude oil depends in part on the growth in demand, "which is subject to reduction via both technological advancements in petroleum product usage such as hybrid-powered automobiles and the substitution of new energy source technologies such as hydrogen-fed fuel cells."

While reasonable people may disagree about timing and ultimate usage of the world's oil supplies, most agree that strong action must be taken to create a better, cleaner and more secure energy future. Minnesota is already leading the way through a variety of measures including increased utilization of renewable transportation fuels such as ethanol and biodiesel; incentives to increase the use of wind, solar, and other renewable resources; enactment of the nation's strongest renewable energy standard for electricity generation; and nation-leading energy conservation efforts.

Minnesota is doing its part to reduce reliance on oil through conservation and replacement of oil with homegrown alternative fuels. In recent years, the number of vehicle miles drive by Minnesotans has flattened out. Minnesota is also a national leader in the production and use of alternative fuels. Our state is testing plug-in hybrid vehicles and promoting hydrogen as an alternative energy source. Continuing to reduce our reliance on oil will provide greater benefits than conducting another study.

I share the concern about "Peak Oil" and have taken strong steps to change Minnesota's and America's energy policy. This resolution, while well-intended, is not an appropriate mechanism to address these issues.

Sincerely,

TIM PAWLENTY
Governor