



STATE OF MINNESOTA

Office of Governor Tim Pawlenty

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

April 7, 2008

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

Dear Speaker Kelliher:

I have signed into law, with a number of line-item vetoes, the Capital Investment Bill, Chapter 179, House File 380.

I am very disappointed that the legislature ignored an understanding between my office and legislative leadership and my repeated warnings to abide by the state's longstanding debt limit. It is irresponsible to exceed the "credit card limit" that has been maintained by governors and legislators from both parties for the past 30 years. Doing so could jeopardize our state's strong credit rating and low interest rates. The overall limit is \$885 million, including \$60 million already allocated in the transportation bill. The legislature spent well beyond this figure.

In addition, this bill reflects misplaced priorities. As just one example, I find it inconceivable that legislators would fund a brass band music lending library and yet provide no funding for a much needed new nursing facility at the Minneapolis Veterans Home.

As a result, I have exercised my line-item veto authority to remedy the situation to the best of my ability under the constraints of the bill as presented. These vetoes reduce the overall amount of general obligation bonding in the bill from \$925 million to \$717 million.

Reducing the bill to this level reflects my commitment to fiscal discipline and an attempt to prioritize important state projects.

The legislature should keep in mind that upholding the state's three percent debt service limit guideline is important to our overall fiscal well-being. Debt service is one of the fastest growing items in the general fund. Based on previously enacted bonding bills, the state's debt is projected to increase \$239 million from the 2006-07 budget to the 2010-11 budget.

Below is a summary of the line-item vetoes within this bill.

Higher Education – University of Minnesota

My bonding recommendations included a significant amount for the University of Minnesota system. However, as with many categories in the bonding bill, the legislature exceeded it. I am supportive of the University of Minnesota's bioscience facilities request, but we must recognize that this multi-year commitment is a large, new state financial obligation and should be weighed against other capital projects requested by the University. Because the University is receiving an additional \$219 million in state support for the biosciences initiative, I am vetoing the following two University projects:

- Page 3, lines 3.18 to 3.21: An appropriation for \$24,000,000 for a new Bell Museum of Natural History on the St. Paul campus.
- Page 4, lines 4.18 to 4.22: An appropriation for \$2,000,000 for classroom renewal to renovate classrooms on the Crookston, Duluth, Morris, and Twin Cities campuses.

Higher Education – Minnesota State Colleges and Universities

The bill funds every campus-specific project requested by the Minnesota State Colleges and Universities system (MnSCU). Fully funding this large number of MnSCU requests puts an additional burden on the campuses and central office to reallocate funds from instructional purposes to debt service at a time when tuition is high and students want and deserve more results for their money. For this reason I am vetoing the following projects:

- Page 7, lines 7.17 to 7.23: An appropriation for \$11,000,000 to Lake Superior Community and Technical College to construct an addition to the Health and Science center and for a renovation.

- Page 7, lines 7.24 to 7.32: An appropriation for \$5,000,000 for shop space for the carpentry and industrial mechanical technology programs at Mesabi Range Community and Technical College, Eveleth.
- Page 7, line 7.34 to page 8, line 8.6: An appropriation for \$4,980,000 for renovation of two floors for classrooms and offices in the power plant building at Metropolitan State University.
- Page 9, lines 9.28 to 9.32: An appropriation for \$13,300,000 to North Hennepin Technical College to renovate and add space for the Center for Business and Technology.
- Page 13, lines 13.18 to 13.31: An appropriation for \$3,625,000 to renovate classroom and academic space at seven campuses within the MnSCU system.
- Page 13, line 13.32, to page 14, line 14.6: An appropriation for \$8,805,000 to acquire property at five campuses within the MnSCU system.

Other Projects

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

- Page 16, lines 16.26 to 16.33: A \$240,000 appropriation for ISD 11, Anoka-Hennepin, to acquire land and to develop and restore wetland and native prairie habitat on the land. Providing an appropriation in the bonding bill for one particular school district's local project is contrary to the common understanding that districts fund those projects with their own resources.
- Page 16, line 16.34, to page 17, line 17.33: A \$16,000,000 appropriation for a capital loan to the Red Lake school district. The high school/middle school is the highest priority within Red Lake's request. However, funding this phase of the request requires \$25.8 million. Since this level of funding has not been accomplished in this bill, the project should be postponed.
- Page 34, line 34.32 to page 35, line 35.5: A \$500,000 appropriation for the Wildlife Rehabilitation Center of Minnesota to retire loans and complete technology

infrastructure. This appropriation sets a poor precedent. The bonding bill should not be used to repay a nonprofit entity for debt it has incurred in the past.

- Page 35, lines 35.6 to 35.9: A \$500,000 appropriation for environmental landscaping at the new Bell Museum. There is no need for this appropriation until the Bell Museum project is funded at some point in the future.
- Page 36, line 36.34 to page 37, line 37.5: A \$2,500,000 appropriation for a new wastewater reuse grant program. Since there are currently no projects identified to receive this level of funding, this new grant program for local governments is premature.

Amateur Sports Commission

The bill funds every regionally-specific project requested through the Amateur Sports Commission. These local projects are popular and important to local communities. However, funding will need to be provided by the local communities or at a time when they are more appropriate relative to the state's funding priorities and economic outlook. For this reason I am vetoing the following six projects:

- Page 42, lines 42.20 to 42.23: An appropriation for \$1,400,000 for asset preservation at the National Sports Center in Blaine.
- Page 42, lines 42.24 to 42.31: An appropriation for \$3,000,000 for the Phase 2 expansion of the National Volleyball Center in Rochester.
- Page 42, line 42.32 to page 43, line 43.7: An appropriation for \$125,000 to predesign the renovation of a building for a Metro North regional recreational amateur sports facility within the Rice Creek Corridor in Ramsey County.
- Page 43, lines 43.8 to 43.20: An appropriation for \$3,000,000 for the Northwestern Minnesota Regional Sports Center in Moorhead.
- Page 43, lines 43.21 to 43.27: An appropriation for \$100,000 to predesign a St. Paul Regional Amateur Sports Facility in St. Paul.
- Page 43, lines 43.28 to 43.32: An appropriation for \$100,000 to predesign the Southwest Regional Amateur Sports Center in Marshall.

Local Public Safety facilities

The bill makes several appropriations to local governments for public safety facilities that are essentially local in nature or did not meet the Department of Public Safety's criteria. For this reason I am vetoing the following two projects:

- Page 45, line 45.34, to page 46, line 46.8: An appropriation for \$55,000 to predesign an emergency training administration center in Gonvick.
- Page 46, lines 46.22 to 46.26: An appropriation for \$125,000 for a new public safety facility in Nassau.

Department of Transportation

The bill makes appropriations to the Department of Transportation for projects that should be considered within a strategic and prioritized rail plan. As a result, I am vetoing the following:

- Page 50, lines 50.11 to 50.24: An appropriation for \$1,500,000 for the Northshore Express to provide intercity and passenger rail service between Duluth and the cities of Minneapolis and St. Paul.
- Page 50, lines 50.25 to 51.18: An appropriation for \$4,000,000 for environmental analysis and other planning for a high-speed rail line connecting St. Paul to Chicago.
- Page 51, lines 51.19 to 51.22: An appropriation for \$500,000 for predesign, preliminary engineering and analysis for a transit corridor between Rochester and St. Paul.
- Page 51, lines 51.23 to 51.27: An appropriation for \$2,000,000 for port development assistance.

Metropolitan Council

The bill makes significant appropriations to the Metropolitan Council, and to metro area counties and regional rail authorities, for transit projects that were requested

individually by various local governments but which instead should be considered within a central plan. Many of the projects are also premature. Further, new transportation and transit dollars recently passed by the legislature should be considered as a funding source for these types of projects. For this reason I am vetoing the following projects:

- Page 52, lines 52.17 to 52.25: An appropriation for \$500,000 for a grant for preliminary engineering for the Bottineau Boulevard Transit Way corridor.
- Page 53, lines 53.1 to 53.28: An appropriation for \$70,000,000 for the Central Corridor Transit Way light rail transit line to connect downtown Minneapolis with downtown St. Paul.
- Page 53, line 53.29 to page 54, line 54.5: An appropriation for \$750,000 for a grant for predesign and preliminary engineering of transportation and transit improvements in the I-94 Corridor.
- Page 54, lines 54.6 to 54.12: An appropriation for \$500,000 for predesign and preliminary engineering of light rail transit in the I-494 Corridor.
- Page 54, lines 54.13 to 54.18: An appropriation for \$500,000 for park-and-ride lots for the Red Rock Corridor transit way.
- Page 54, lines 54.19 to 54.28: An appropriation for \$500,000 for environmental studies and engineering of bus rapid transit or light rail transit for the Robert Street Corridor transit way.
- Page 54, line 54.29, to page 55, line 2: An appropriation for \$500,000 for a grant for park-and-ride or park-and-pool lots for the Rush Line Corridor transit way.
- Page 55, lines 55.3 to 55.11: An appropriation for \$500,000 for a grant for a Draft Environmental Impact Statement and for preliminary engineering for the Southwest Corridor transit way.
- Page 55, line 55.29, to page 56, line 56.4: An appropriation for \$2,000,000 for planning and work related to multimodal improvements at the Union Depot in St. Paul. This would be in addition to \$3.5 million already granted in 2006 for the same purpose.

Local Projects

The bill contains too many appropriations for specific local projects, which are funded while some statewide priority needs are disregarded. This is particularly evident in the sections of the bill that fund numerous metropolitan areas parks, trails and nature centers, and local amenities. For this reason I am vetoing the following projects:

- Page 56, lines 56.18 to 56.24: An appropriation for \$2,000,000 to remove and replace the old Cedar Avenue Bridge for bicycle commuters and recreational users.
- Page 56, lines 56.25 to 56.29: An appropriation for \$11,000,000 for the Como Zoo in St. Paul to renovate the polar bear and gorilla exhibits.
- Page 56, line 56.30, to page 57, line 2: An appropriation for \$500,000 for a bicycle and pedestrian trail connecting the Fridley trail to the Mississippi Regional Trail corridor in Coon Rapids.
- Page 57, lines 57.9 to 57.14: An appropriation for \$600,000 for a grant for a bridge for the Grand Rounds Scenic Byway on St. Anthony Parkway.
- Page 57, line 57.15 to page 58, line 58.12: An appropriation for \$2,000,000 for lighting fixtures along the Grand Rounds Scenic Byway and to design a roadway to complete the Grand Rounds National Scenic Byway.
- Page 58, lines 58.13 to 58.20: An appropriation for \$100,000 to predesign the Heritage Village Park along the Mississippi River in Inver Grove Heights.
- Page 58, lines 58.21 to 58.25: An appropriation for \$100,000 to renovate the Mississippi River Swing Bridge between Inver Grove Heights and St. Paul Park for recreational use.
- Page 58, lines 58.26 to 58.31: An appropriation for \$450,000 for the Lower Afton Road Trail bicycle and pedestrian trail.
- Page 59, lines 59.17 to 59.23: An appropriation for \$2,000,000 for the National Great River Park along the Mississippi River in St. Paul.

- Page 59, lines 59.24 to 59.33: An appropriation for \$3,800,000 for river park development and redevelopment infrastructure in National Great River Park along the Mississippi River in St. Paul.
- Page 59, line 59.34 to page 60, line 60.6: An appropriation for \$2,183,000 to design and develop the Rice Creek North Regional Trail from Lino Lakes to Shoreview.
- Page 60, lines 60.7 to 60.12: An appropriation for \$2,500,000 for the redevelopment and expansion of the Springbrook Nature Center.
- Page 61, lines 61.29 to 61.34: An appropriation for \$2,000,000 for the Early Childhood Learning and Child Protection Facilities grant program in the Department of Human Services. The agency did not request funding for this existing program, and it should not be funded when other priority projects requested by the agency were not adequately funded.
- Page 65, line 65.32 to page 66, line 66.7: An appropriation for \$500,000 for a grant to the city of Floodwood. This project should instead apply and be considered for funding on an equal footing with other projects seeking grants through the Greater Minnesota Business Development Infrastructure grant program.
- Page 67, lines 67.13 to 67.20: An appropriation for \$750,000 for a grant to St. Louis County for infrastructure from the city of Chisholm to the regional competition and exhibit center.
- Page 68, lines 68.22 to 68.25: An appropriation for \$250,000 to Hibbing to renovate the Memorial Building.
- Page 69, lines 69.7 to 69.18: An appropriation for \$975,000 for Mankato to predesign and design a performing arts center and the Southern Minnesota Women's Hockey Exposition Center.
- Page 69, lines 69.19 to 69.24: An appropriation for \$3,000,000 for Minneapolis to predesign the renovation of Orchestra Hall and Peavey Plaza.

Speaker Margaret Anderson Kelliher

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- Page 70, lines 70.21 to 70.30: An appropriation for \$5,000,000 for the St. Paul Housing and Redevelopment Authority for an Asian Pacific Cultural Center project.
- Page 76, lines 76.8 to 76.12: An appropriation for \$400,000 for the city of Chatfield for a brass band music lending library. This project should instead apply and be considered for funding on an equal footing with other projects seeking grants through the County and Local Preservation grants program.

Changes Related to Previous Bonding

- Page 105, line 105.20 and 105.24 to 105.27: I am vetoing the language change which redirects \$900,000 in bonding authority previously authorized. My item veto will restore the original appropriation requirement that the rail-related money be used only for matching federal funds.

As the legislature finishes its work during the remaining weeks of this session, I am hopeful that we will be able to work together constructively toward an outcome that is in the best interests of our state and maintains our commitment to fiscal discipline.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Pawlenty', with a long, sweeping underline that extends 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 Keith Langseth
Representative Marty Seifert, Minority Leader
Representative Alice Hausman
Mr. Patrick E. Flahaven, Secretary of the Senate
Mr. Al Mathiowetz, Chief Clerk of the House of Representatives
Mr. Mark Ritchie, Secretary of State