

## STATE OF MINNESOTA

OFFICE OF THE GOVERNOR

ST. PAUL 55155

March 22, 1982

The Honorable Jack Davies President Minnesota Senate

Dear Mr. President:

By not signing and not filing with the Secretary of State, I am vetoing Senate File 1988, a bill that relates to the Small Business Community Development Block Grant (CDBG) program.

The Community Development Block Grant program was authorized by Congress in 1974 and is one of a number of federal programs being transferred to the states. The Department of Energy, Planning and Development is charged with the administration of the Small Cities Community Development Block Grant program.

Because states are allowed considerable flexibility in administration of the Community Development Block Grant program, the Department of Energy, Planning and Development has devoted much time and effort during the past eight months to develop a program design which addresses the community development needs of Minnesota's communities while remaining within the intent of federal legislation. The Department of Energy, Planning and Development has been very conscientious in its efforts to solicit and utilize recommendations from concerned organizations, elected officials and other interested parties throughout the program design process.

The Community Development Block Grant program was designed to give local governments greater flexibility in determining how CDBG funds could best be utilized to meet their local community development needs. Communities could undertake a wide variety of eligible activities set out in the 1974 act: 1) principally benefitting persons of low and moderate income; 2) aiding in the prevention or elimination of slums or blight; 3) meeting other community development needs having a particular urgency.

Senate File 1988 contains no reference to the three objectives of the Community Development Block Grant program and instead emphasizes the requirement of direct benefit to low and moderate income persons.

Therefore, I am vetoing Senate File 1988 for two main reasons: 1) it imposes additional strings on small cities which are not imposed on large cities, and 2) it limits flexibility in identifying projects at a time when emphasis in state programs is on insuring such flexibility.

Sincerely,

ALBERT H. QUIE

GOVERNOR

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