

## Governor Jesse Ventura

### Veto Letter to Legislative Leaders

### February 25, 2002



Home

Policy

For Citizens

Press Office

The Administration

Lt. Governor

First Lady

Big Plan

The Honorable Steve Sviggum  
 Speaker of the House of Representatives  
 463 State Office Building  
 Saint Paul, Minnesota 55155

Dear Speaker Sviggum:

I have vetoed and am returning Chapter Number 220, House File Number 351, a bill relating to the omnibus budget and appropriations.

I am vetoing this bill because it does little to address the basic problem that the recession has caused: there is less money coming in than going out, both in the current budget and the next. Legislative leaders have assured me that more fixes are forthcoming, but I have no reason to believe that they will be able to bridge their differences and produce a responsible budget package.

The solution sitting before me relies heavily on one-time funds to plug the deficit in FY 2002-03 and wishes away inflation in FY 2004-05. Although this bill is a first step, without a more comprehensive package that balances revenues and expenditures and replenishes the state's reserves, the state's credit rating will be at risk and state programs will be in jeopardy.

Some legislators have recognized the critical need for a more stable and complete funding package. They are right to insist on a budget deal that relies less on one-time money and avoids disruptive budget cuts in the future. We cannot pretend that pain deferred is pain avoided.

I appreciate the speed and attention that legislators have given to putting this bill together. HF 351, however, fails to meet even the legislature's own goal for balancing state revenues and expenditures. The degree to which this bill leans on the use of one-time reserves is simply irresponsible. Not only does it use all available reserves, it lacks any plan to restore them and already acknowledges that there will be a big gap between state revenues and state

obligations next year.

The pain of state budget shortfalls should be dealt with equitably, as well as quickly. My budget recommended significant cuts to state operations because I believed that it was fair to spread the pain of a budget shortfall to all. My plan also recognized that the same partners that benefit from state funding--namely cities, counties and schools--should also share in solving the budget deficit. Instead, HF 351 places the great majority of the responsibility for resolving the deficit onto state government.

On top of these reductions for state operations, the bill cuts an additional \$75 million from state operations by imposing a \$40 million hiring freeze and a \$35 million cut in professional and technical contracts. These provisions are unacceptably vague. Each potential employee not hired and each contract not signed means that some work currently done by a state agency will go undone. We might even agree on some of those service and program reductions, but the bill doesn't specify what they are. The unspecified cuts place state agencies in the impossible role of having to manage their operations, without hiring people, without signing contracts, yet pretending they can meet the same expectations as today.

The specific budget cuts to agency operations combined with these non-specific budget "plugs" are likely to lead to the following consequences. Cuts to prison funding will put employees and the public at risk. We will be less able to prevent and respond to future disease outbreaks and protect our food supply. Even our ability to track down people who don't pay their taxes will be diminished, further worsening the state's deficit by another \$21 million.

I've heard claims that this bill removes automatic spending growth, apparently by removing inflation in the numbers used to plan the next budget. Removing estimated inflation from our state forecast simply lowers our financial management standards but it doesn't mean that inflation won't happen. What it does mean is that those who put together the next budget will have to make budget cuts or raise taxes just to maintain current service levels. The result is that HF 351 ensures risk and instability to the very cities, counties, and schools that the legislature is trying to protect.

Balancing the state's budget and managing it responsibly is a difficult task. Yet this is the kind of challenge that each of us agreed to take on when we took the oath of office. Minnesota is part of an elite circle of states that has held itself to the highest financial standards. I am proud of that record, as each Minnesotan should be. I am also committed to maintaining that record, even through these difficult times.

My concern about managing the risk of current budget deficits should not be interpreted as a lack of concern for quality K-12 education or local government services. Rather, the issue is whether we are putting these very services in greater peril by leaving a deficit for future years just so that we can push off tough decisions to a more convenient time.

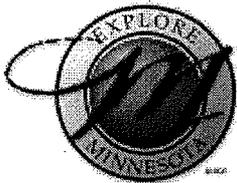
Though this bill, by itself, fails to meet this test, I remain dedicated to working with the legislature until a balanced agreement is reached.

For these reasons, I am vetoing this bill.

Sincerely,

Jesse Ventura  
Governor

cc: Senator Don Samuelson, President of the Senate  
Senator Roger Moe, Majority Leader  
Senator Dick Day, Minority Leader  
Representative Tom Pugh, Minority Leader  
Representative Rich Stanek  
Senator Doug Johnson  
Mr. Patrick E. Flahaven, Secretary of the Senate  
Mr. Edward A. Burdick, Chief Clerk of the House  
Ms. Mary Kiffmeyer, Secretary of State



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