



STATE OF MINNESOTA

Office of Governor Mark Dayton

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

May 12, 2017

The Honorable Michelle L. Fischbach
President of the Senate
2113 Minnesota Senate Office Building
St. Paul, MN 55155

Dear Madam President:

I have vetoed and am returning Ch. 44, Senate File 605, the omnibus state government, and military and veterans affairs appropriations bill.

By numerous national ratings, Minnesota is judged to be a very well-run state, which provides a high quality of services to our citizens. Minnesotans deserve and expect no less.

Great credit for these services should go to the dedicated public servants, who comprise our state workforce, which is already among the leanest in the nation. Minnesota ranks 37th for public employees per capita. My proposals this year sought to sustain and build upon the efficient programs and effective services they provide.

Unfortunately, SF 605 takes a very different approach. It is consistently antagonistic toward state government services and the people who provide them. There is some support for military and veteran's initiatives, although insufficient; but this support does not mask the unwarranted 4.4% to 49.1% base budget cuts to executive branch agencies, councils, boards, and constitutional offices found elsewhere in the bill. Reductions of this magnitude would certainly result in disruptive lay-offs, and would also mean significant reductions in services and their timely delivery to Minnesotans and Minnesota businesses. In several cases, the cuts would lead to higher costs or reduced revenues. These actions defy common sense, and take our State in the wrong direction. At a minimum, every agency must be appropriated operating adjustments in order to retain current service levels.

In addition, the many arbitrary operating restrictions and mandates imposed in the bill create undue inflexibility, drive up costs, and further hinder the effective and efficient operation of state and constitutional functions. They include, but are not limited to, caps on FTEs and how they are managed, restrictions on transfers of funds, a change to the collective bargaining approval process, a duplicative legislative budget office, and rulemaking changes.

More specifically, I am concerned that at a time when greater investment is needed to address gaps in the State's cybersecurity defenses, SF 605 fails to provide such increased investment. We cannot ignore the threat posed to Minnesotans' private data and government operations by ever more sophisticated and prevalent cybersecurity threats.

Neither does the bill begin to address updates to the state's online financial system needed to avoid higher ongoing maintenance costs, reduce risk and increase functionality. Likewise, the bill provides no funding to begin replacing the state's outdated procurement system despite such a system offering a positive return-on-investment (ROI) for taxpayers.

While there is some support for military and veteran's initiatives, the failure to fully fund my request for the Department of Military Affairs' enlistment incentive program will result in reductions in State Tuition Reimbursement and re-enlistment bonuses for soldiers and airmen around the state, including those who drill at Camp Ripley.

A further defect, identified by Commissioner Shellito, is that the \$10 million included in the bill to establish new veteran's homes is insufficient to cover the state's share of construction and operating costs needed to secure federal funding support. This bill fails to sufficiently fund the current needs of Minnesota's veterans and future commitments. Therefore, I urge you to fund the current needs of our existing veterans homes and services:

- No operational funding for the Minnesota State Veterans Cemetery – Duluth.
- No repairs and maintenance funding for veterans cemeteries and more than 50 state-owned buildings, including the veterans' homes which provide 24/7 skilled nursing care for our veterans.

Other provisions of the bill just seem small-minded:

- The failure to appropriate a modest \$190,000 annually to ensure a complete Census count for Minnesota, a count that is crucial to whether our state retains its eight Congressional seats and fully benefits from the federal taxes our residents send to Washington.
- The removal of the Department of Revenue's authority to grant funds to Volunteer Income Tax Assistance (VITA) sites that support tax return filing assistance to those in need including people with disabilities, the elderly, and low-income families.
- The shift in an agreement reached previously regarding the statutory payment structure between the state and employers for the Minneapolis Employees Retirement Fund.

Finally, I will not sign a state government budget bill that includes election-related policy provisions. Throughout my two terms as Governor, I have consistently followed the rule established by Governor Pawlenty that any changes to our election laws must have broad bipartisan support.

These proposed changes do not meet that standard:

- Repeal of the Campaign Public Subsidy Program
- The Campaign Finance Board rulemaking restriction
- Redistricting principles

I strongly oppose elimination of the Campaign Public Subsidy Program and the very partisan efforts to strip the Campaign Finance Board of its rule making authority. These changes have a direct impact on our election, campaign laws, and the state of democracy. The Campaign Public Subsidy Program is one of the last remaining incentives for candidates to limit their campaign spending. By repealing the subsidy program, the bill includes a policy provision that creates a voluntary spending limit "pledge" by the candidates. This pledge is not binding and cannot be enforced; thus it weakens our campaign laws.

SF 605 contains too many unwarranted intrusions into the operating prerogatives of the Executive Branch and elected Constitutional Officers. It also cuts drastically their funding, while not reducing the funding for the Legislative Branch. Both branches must be treated equally and fairly, including in the area of carryforward authority, a budgeting tool available to the Legislature but denied the Executive Branch.

Sincerely,



Mark Dayton
Governor

cc: Representative Kurt Daudt, Speaker of the House
Representative Melissa Hortman, House Minority Leader
Representative Sarah Anderson, House of Representatives
Senator Paul E. Gazelka, Senate Majority Leader
Senator Thomas M. Bakk, Senate Minority Leader
Senator Mary Kiffmeyer, Minnesota Senate
The Honorable Steve Simon, Secretary of State
Mr. Cal R. Ludeman, Secretary of the Senate
Mr. Patrick Murphy, Chief Clerk of the House of Representatives
Mr. Paul Marinac, Revisor of Statutes