



STATE OF MINNESOTA

Office of Governor Mark Dayton

116 Veterans Service Building ♦ 20 West 12th Street ♦ Saint Paul, MN 55155

May 23, 2015

The Honorable Kurt Daudt
Speaker of the House
463 State Office Building
100 Rev. Dr. Martin Luther King Blvd.
St. Paul, Minnesota 55155

Dear Mr. Speaker:

I have vetoed and am returning Chapter 80, House File 1437, a bill relating to jobs and energy. The bill insufficiently funds the Department of Commerce, the Bureau of Mediation Services and Minnesota's Workers' Compensation Court of Appeals. Its Broadband Funding is seriously inadequate. Additionally, the bill falls short in funding programs to advance Minnesota's Olmstead Plan; and it contains changes to Minnesota's net metering laws that will disincentivize the use of wind and solar power.

The Department of Commerce's mission is to protect the public interest; advocate for Minnesota consumers; ensure a strong, competitive and fair marketplace; and strengthen our state's economic future. The bill omits adequate funding needed to achieve this mission, including:

- No funding for the Department's health care rate review staffing.
- No funding for the health care civil and criminal enforcement staffing.
- No funding for the state's costs related to *State of North Dakota, et al vs. Beverly Heydinger, Commissioner and Chair of Minnesota Public Utilities Commission, et al.*
- No funding for the Department to execute its responsibilities pursuant to Article 3, Sec. 21.
- No funding for the Department to execute its responsibilities pursuant to Article 3, Sec. 17.
- No funding for the Energy Reliability Administration.
- No funding for the Department to execute its responsibilities pursuant to Article 3, Sec. 22.
- No funding for the Guaranteed Energy Savings Program.
- Inadequate funding for the Department's Administrative Services Division.
- Inadequate funding for the Energy Regulation and Planning Division.
- Inadequate funding for the Securities Unit Funding.
- Inadequate funding for the Fraud Bureau.

I will insist that legislation emanating from the Special Session will provide the Department with the resources it needs to continue to serve Minnesota's consumers and businesses.

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This bill also omits the necessary funding for the Bureau of Mediation Services (BMS) and the Public Employee Relations Board (PERB). BMS provides mediation and dispute resolution services that impact nearly every public employer and employee. BMS does not receive a 1.8 percent operating adjustment, like other executive branch agencies; nor did it receive funding to complete Phase II of its case management database redesign. Similarly, the lack of funding for PERB will make it impossible for this new entity to carry out its statutory responsibility to oversee and adjudicate unfair labor practice charges in Minnesota.

In addition to underfunding BMS, the bill also fails to provide a 1.8 percent operating adjustment to the Workers' Compensation Court of Appeals. The Workers' Compensation Court of Appeals is a statewide appellate court that provides workers and employers necessary access to fair and just resolutions to workers' compensation issues.

The Border-to-Border Broadband Development Grant Program was designed to be a competitive program administered by the Office of Broadband Development (OBD). In the current biennium, the OBD received \$20 million to make its first investments in broadband infrastructure. The OBD received 40 applications and after a thorough evaluation process, selected seventeen projects, which fully committed the available funds. The bill's total funding for Broadband in the next biennium is barely half of that amount. Furthermore, the earmarking of \$2 million for one specific broadband project undermines the program's competitive process and sets a dangerous precedent.

I was disappointed that this bill did not include more funding for the Department of Employment and Economic Development and the Minnesota Housing Finance Agency to carry out their responsibilities under Minnesota's Olmstead Plan. At a time when Minnesota is striving to ensure people with disabilities have more opportunities to live and work in integrated settings, this bill would result in cuts to the Extended Employment and Individual Placements and Supports programs. These programs help ensure that Minnesotans living with disabilities or mental illness have the support services they need to be successful at work.

I will insist that legislation emanating from the upcoming Special Session fund these and other important programs so we can serve more people with disabilities, not fewer of them.

For these reasons I am vetoing this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Dayton", written over the word "Sincerely,".

Mark Dayton
Governor

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cc: Senator Sandra L. Pappas, President of the Senate
Senator Thomas M. Bakk, Senate Majority Leader
Senator David W. Hann, Senate Minority Leader
Senator David Tomassoni
Representative Paul Thissen, House Minority Leader
Representative Pat Garofalo
The Honorable Steve Simon, Secretary of State
Ms. JoAnne Zoff, Secretary of the Senate
Mr. Patrick Murphy, Chief Clerk of the House of Representatives
Ms. Michele Timmons, Revisor of Statutes