



RUDY PERPICH
GOVERNOR

STATE OF MINNESOTA

OFFICE OF THE GOVERNOR

ST. PAUL 55155

June 3, 1989

The Honorable Robert Vanasek
Speaker of the House
House Chambers
State Capitol

Dear Mr. Speaker:

I have today signed into law Chapter 335, H.F. No. 372, the omnibus State Departments appropriations bill. However, I have, pursuant to the powers vested in me by Article IV, Section 23 of the Minnesota Constitution, determined to line-item veto the following provisions in this bill.

1. Article 1, section 8, page 9, lines 46-50 which read as follows:

\$2,000 the first year is a one-time appropriation to the governor's residence council for repairs and replacements in the governor's residence.

I did not request this funding in our budget, and it has been our practice and intention to fund Residence rehabilitation from private contributions.

2. Article 1, section 19, page 24, lines 4-8 which read as follows:

Subd. 7. Base Cut

\$(618,000) \$(620,000)

The base cut must be allocated among the agency's programs by the agency head.

All of the base reductions contained in your bill will prove harmful to the efficient operation of state government. The reduction to the Revenue Department would prove especially harmful, not only to departmental operations, but also to revenues to the state from tax enforcement efforts. The lost revenues would be greater than the savings from the reduction.

3. Article 1, section 25, page 45, lines 30-60 and page 46, lines 1-35 which read as follows:

AN EQUAL OPPORTUNITY EMPLOYER

\$800,000 of any funds except those designated by law specifically for agricultural related purposes received by the Greater Minnesota Corporation through an appropriation, a transfer from another state fund, investment income, fees, and other charges, repayment of loans, royalty and dividend income and lottery proceeds are transferred to the department of trade and economic development for deposit in the capital access account in the special revenue fund for the capital access program.

Subd. 9. Greater Minnesota Corporation Reallocations

\$1,000,000 the first year of any funds except those designated by law specifically for agricultural related purposes received by the Greater Minnesota Corporation through an appropriation, a transfer from another state fund, investment income, fees, and other charges, repayment of loans, royalty and dividend income and lottery proceeds shall be transferred to Minnesota Project Innovation by October 1, 1989, for the purposes of providing research bridge grants. The commissioner of trade and economic development shall be responsible for coordinating the grant. Upon written notice from the commissioner of trade and economic development, the Greater Minnesota Corporation shall transfer the funds requested to Minnesota Project Innovation.

\$150,000 the first year of any funds except those designated by law specifically for agricultural related purposes received by the Greater Minnesota Corporation through an appropriation, a transfer from another state fund, investment income, fees, and other charges, repayment of loans, royalty and dividend income, and lottery proceeds shall be transferred by August 1, 1989, to the Western Five Community Development Corporation for the purpose of establishing a statewide system of aiding small businesses in preparing proposals for and negotiating federal government procurement contracts. The Western Five Community Development Corporation shall cooperate with the other community development corporations in the state to develop this statewide system. Responsibilities of the community development corporations may include preparation and negotiation of federal government procurement proposals on behalf of small businesses and administration of federal government procurement contracts. This funding must be matched on a dollar-for-dollar basis from nonstate sources.

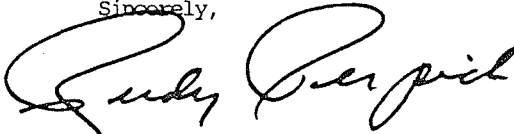
and, Article 4, section 15, on page 290, those portions of lines 7-15 which read as follows:

The trustee and insurance accounts related to the energy loan insurance program established under Minnesota Statutes 1986, section 116M.11, are transferred to the energy loan insurance account of the special revenue fund. All repayments, earnings, releases from insurance accounts, and trust accounts of the energy loan insurance account must be credited to the energy loan insurance account. All other money in the economic development account is credited to the general fund.

These provisions inappropriately reallocate funding already committed by the Legislature to the Greater Minnesota Corporation. The idea behind the GMC was to establish a corporate entity removed from direct control of government which would help to finance critically needed research and development efforts in Minnesota. For the Legislature to rescind its prior commitments would jeopardize the independence critical to GMC operations and would impair its ability to promote economic development and job creation in Minnesota.

Pursuant to the requirement of Article IV, Section 23 of the Minnesota Constitution, an executed copy of this letter has been appended to the bill as filed with the Secretary of State.

Sincerely,



RUDY PERPICH
Governor

cc: The Honorable Jerome Hughes, President of the Senate
The Honorable Gene Merriam
The Honorable Glen Anderson
The Honorable Carl Kroening
The Honorable Phyllis Kahn
The Honorable Joan Anderson Growe, Secretary of State
Mr. Edward A. Burdick, Chief Clerk of the House