May 7, 2018

The Honorable Kurt Daudt
Speaker of the House of Representatives
Room 463, State Office Building
Saint Paul, Minnesota 55155

The Honorable Paul Gazelka
Senate Majority Leader
Room 3113, Minnesota Senate Building
Saint Paul, Minnesota 55155

Dear Speaker Daudt and Majority Leader Gazelka:

Two weeks remain until your Constitutional deadline to adjourn. We have yet to resolve or in some cases seriously discuss the most critical issues facing our state:

- **Emergency School Aid** to ensure our schools have enough teachers to prevent further class size increase next year;
- Funding to **address our state’s opioid crisis** and hold pharmaceutical companies accountable;
- Reforms to **protect our elderly and vulnerable adults** from abuse and neglect;
- Resources for school districts to improve the **safety of our schoolchildren**;
- **Stabilization of the pensions** of over 511,000 Minnesota workers and retirees;
- **Reform in our state’s sexual harassment laws** and investments in our ability to protect state employees;
- **A Bonding Bill** that invests adequately in our state’s infrastructure; and
- **A Tax Bill** that protects Minnesota families from tax increases.

In the remaining days, I urge you and your Members to work with my Administration and me to negotiate language on bills in which compromises and agreements are within reach. It will take serious discussions to get them in the shape where I could sign, so our energies should be focused there. Given the record of this session and the last, I am very skeptical of your desire to resolve those differences, so I challenge all of us to come to the table ready to work hard and to compromise.

As reminders, I have attached 125 letters from my Commissioners and myself, which outline our concerns with your current drafts, and detail what I need to see in order to sign those bills into law. I urge you to review them because they provide roadmaps to a productive conclusion to this Session.
The Honorable Kurt Daudt  
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May 7, 2018  
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• **I will not sign bills that jeopardize the future financial stability of the State of Minnesota.** The House Budget and Tax bills alone would create a $2.5 billion funding deficit in the State's budget by the end of the fiscal year 2023. The Senate Tax Bill includes conditional tax rate cuts that would be triggered by budget estimates in November Forecasts and pre-empt all other needs. They are non-starters.

• **I will not sign bills that cut agency budgets or that are laden with controversial policy provisions.** In their current forms, all of those "omnibus bills" are destined for vetoes, of which you are well aware.

• **I will not sign bills that raid existing fund balances.** Healthy surpluses should be seen as signs of wise policy-making and sound fiscal management, not as tempting targets to drain for other unfunded purposes.

We still have the opportunity to give our citizens the collaborative and productive ending to this Legislative Session that they deserve. Minnesotans expect us to work together, resolve our differences, and do what is best for our state. We have 14 days to show them that we are capable of providing this leadership. My commissioners, staff, and I are available at all times to work with you and achieve this essential outcome.

Sincerely,

Mark Dayton  
Governor

Attachments

cc: The Honorable Tom Bakk, Senate Minority Leader  
The Honorable Melissa Hortman, House Minority Leader
Dear Legislators:

Throughout my two terms as Governor, I have worked to expand access to affordable health care coverage for Minnesotans. That is why I strongly oppose a current proposal that would deny health care to thousands of Minnesotans.

This plan would take away health care from Minnesotans, particularly those who are living with disabilities and chronic conditions. The majority of Medicaid enrollees, 73 percent, live in families with an adult, who has a full-time job, and 66 percent work themselves. Over half of adults on Medical Assistance, ages 35-64, and a third of younger adults, ages 19-34, live with chronic conditions that would make it very difficult for them to work.

The proposed legislation would also impose significant new administrative burdens on county social service workers, without addressing the structural barriers that prevent people from working, such as lack of transportation and stable housing, criminal histories and age discrimination.

Since it became law over 50 years ago, Medicaid has shown that access to health care improves people’s lives and our economy. Medical Assistance creates pathways out of poverty for people with disabilities, those with low incomes, and many older adults. It also covers over 40 percent of Minnesota’s children.

My first Executive Order as Governor made Minnesota one of the first states to expand Medicaid in 2011. Federal funding from the Affordable Care Act helped us drive innovation and improve health outcomes, while saving money. I am proud of the progress we have made, and was dismayed, when Minnesota’s uninsured rate increased last year to 6.3 percent, from a historic low of 4.3 percent in 2015. There are now 349,000 Minnesotans who do not have health insurance, which should be unacceptable to all of us.
Instead of imposing new barriers to health care coverage, I urge the Legislature to approve my proposal for a MinnesotaCare Buy-In program that will guarantee a high-quality, affordable option in every county. I stand ready to work with Legislators on real solutions to help people get the health care they need. Let us work together to expand access to health care, not take it away.

Sincerely,

[Signature]

Mark Dayton
Governor
Dear Speaker Daudt and Majority Leader Gazelka:

42 days remain before you must adjourn this Legislative Session. As we look to those six weeks ahead, I want to outline the parameters that I believe will allow us to achieve a smooth and successful conclusion to our final session working together.

Let’s begin where we agree. We should prioritize work on which we have all expressed a commitment to addressing this year. While our approaches on various policy proposals may differ, there are several issues where I believe compromise is within reach, including protecting elderly and vulnerable adults from abuse and neglect, ensuring the safety of our schoolchildren, addressing the opioid crisis, and stabilizing the pensions of Minnesota workers.

On these important matters, there is no excuse for delay. I see no reason why these bills cannot be signed into law by the end of this month. Achieving compromises on these urgent matters now would make efficient use of our time, and allow us the opportunity to focus our attention on other matters that will require additional time and deliberation in the weeks ahead. Most importantly, resolving these issues now is the right thing to do for the people of Minnesota. I ask that the authors of these bills work with minority legislators and my Commissioners and staff to send these bills to my desk separately, and soon.

In the coming weeks, legislative committees will develop their supplemental budget and tax proposals. As you begin that work, I want to repeat that the long-term fiscal stability of our state remains my highest priority.

I refuse to let our next Governor and Legislature walk into the same fiscal mess I inherited in 2011. Since taking office, my Administration has worked hard to return fiscal stability to the State of Minnesota. We have turned a decade of deficits into repeated surpluses and replenished our budget reserves to record levels to help protect Minnesota from future economic downturns. My supplemental budget and tax proposals build on seven years of responsible financial management and ensure that our state’s budget will remain structurally balanced in the next two biennia. To repeat: during my final year in office, I will not support any spending or tax proposals, which would threaten that stability.
Furthermore, with a projected budget surplus of $329 million, I will not consider cuts to the operating budgets of state agencies, which we negotiated and enacted one year ago. And I will not consider any budget proposals that are based on false financial assumptions, irresponsible shifts, or gimmicks. We have worked hard and made tough decisions to undo previous budgeting tricks that caused serious harm to our state's finances. We should have learned from those past mistakes; but in the event these proposals are being seriously considered, know that any bill that does not include honest accounting will not earn my signature.

Finally, I will again insist that budget and policy bills should travel separately, and be debated and negotiated on their own merits. Year after year, we have had this conversation. And year after year, budget bills come to my desk laden with policy provisions. I will warn you again: those efforts to ram controversial policy issues down my throat in budget bills, at the peril of vitally important appropriations, will not gain my signature. I urge you to let majority and minority Committee Members find resolutions to policy matters in conference committees that are open to the public, offering transparency and opportunities for public debate and discussion.

In closing, we have six weeks to complete the work of this Legislative Session. We can, and should, work quickly this month to achieve results for Minnesotans on our shared priorities for protecting elderly and vulnerable adults, school safety, addressing the opioid crisis, and stabilizing workers' pensions. Thereafter, we have important work to do to enact tax relief for Minnesotans, invest in better educations for our students, make urgently-needed infrastructure improvements, and more. I am confident that, by working together, we can reach agreements, which will achieve our shared goals, before you must adjourn on May 21st. I look forward to working with you in these remaining weeks to give Minnesotans the collaborative and productive ending to this Legislative Session that they expect and deserve. My Commissioners, staff, and I will be available at all times to work with you to achieve that essential outcome.

My best regards.

Sincerely,

[Signature]

Mark Dayton
Governor

cc: The Honorable Tom Bakk, Senate Minority Leader
    The Honorable Melissa Hortman, House Minority Leader
April 11, 2018

The Honorable Kurt Daudt
Speaker of the House of Representatives
Room 463, State Office Building
Saint Paul, Minnesota 55155

Dear Mr. Speaker:

Earlier this week, I wrote asking the Legislature to prioritize work on which we have expressed shared commitments. Given its broad bipartisan support, I ask that your first order of business in completing that work be stabilizing the pensions of over half a million Minnesota workers and retirees. The Senate has already unanimously passed a clean bill out of committee and off the Senate Floor. I urge the House to follow the good example of the Senate and expedite passage of this bill.

The compromise Pensions Bill would provide an immediate reduction in pension fund liabilities of $3.4 billion, addressing the economic and demographic changes the pension plans are facing, and reverse their downward funding trajectories. In doing so, this bill reflects many of the recommendations of the Blue Ribbon Panel on Pension Reform, which I convened in 2016. I greatly appreciate their work, strongly support their recommendations, and am pleased to see these urgently needed solutions reflected in this year’s Omnibus Pensions Bill.

Unfunded pension liabilities have adversely affected state, local, and school district bond ratings in recent years. These liabilities add millions of dollars in debt-service costs to schools, cities, counties, and to the state. Setting our pension plans on a course to continued stability will be viewed favorably by rating agencies, improve our state’s finances, and keep our promises to hundreds of thousands of workers and retirees, who are depending on us to solve this problem.

The compromise Pensions Bill reflects a bipartisan consensus achieved by the members of the Pension Commission, led this year by Senator Julie Rosen and Representative Tim O’Driscoll. The bill also has the support of a remarkably large and diverse coalition of representatives of the affected retirees, school, city and county governments, public employees, and the pension systems. Each has contributed to the package by accepting lower COLAs, higher employee and employer contributions, and reduced benefits. In fact, for every $1 invested by the state under this legislation, employees and retirees would contribute an additional $2.90 in higher contributions and lower COLAs and benefits. The bill truly reflects shared sacrifices from all parties.
I again thank Senate Majority Leader Gazelka and Chair Rosen for passing SF 2620 early, separately, and without disrupting the agreements among the interests involved. I urge the House to act quickly, so that I can sign the bill into law by the end of this month.

My Commissioners, staff, and I are ready to work with you at any time to expedite this important work.

Sincerely,

Mark Dayton
Governor

cc: The Honorable Paul Gazelka, Senate Majority Leader
    The Honorable Tom Bakk, Senate Minority Leader
    The Honorable Melissa Hortman, House Minority Leader
    Senator Julie Rosen, Chair, Finance Committee and Pension Commission
    Representative Tim O’Driscoll, Vice Chair Pension Commission
April 16, 2018

Representative Rod Hamilton
Chair, House Agriculture Finance Committee
443 State Office Building
Saint Paul, MN 55155

Representative Paul Anderson
Chair, House Agriculture Policy Committee
369 State Office Building
Saint Paul, MN 55155

Dear Chairman Hamilton and Chairman Anderson:

I am in receipt of your April 12, 2018 letter regarding the Minnesota Department of Agriculture’s proposed Groundwater Protection Rule. I am troubled by your accusations. I believe the record shows that the Department has employed an open and transparent process to craft the proposed Groundwater Protection Rule.

In its proactive efforts to engage farmers in conversations about this proposed public health standard, the Department held 17 public listening sessions across Minnesota over the course of three months. Those public meetings engaged over 1,000 farmers and landowners in conversations about how modified fertilizer application standards can improve the quality of drinking water we all depend upon. These listening sessions were held in Marshall (2), Chatfield, Farmington, St. Cloud (2), Wadena, McIntosh, St. Paul, Fairmount, Roseau, Warren, Hawley, Mankato, Bemidji, Crookston, and Rochester.

In addition to these well-attended public meetings, the Department solicited over 820 written comments from Minnesotans. These efforts – undertaken even before the Groundwater Protection Rule was proposed – were unprecedented. As you know, the informal draft and public comment period is not required as part of the Executive Branch’s rulemaking process. Still, in the interest of public engagement and transparency, it was the right thing to do. The input received through that process have already produced major changes to the proposed rule, and resulted in a better proposed standard.

Your attempts to undermine the Department’s efforts to continue engaging the public in this process would usurp the authority and responsibilities of the Executive Branch. Most importantly, they would deny Minnesotans their opportunities to make this rule even better, and ultimately improve drinking water quality and public health in our state.

I want to be clear: for these reasons, I will veto your bill if it reaches my desk. I will not support any legislation that prohibits the implementation of the Groundwater Protection Rule or repeals the Executive Branch’s rulemaking authority.

Clean and safe drinking water is the right of every Minnesotan. However, increasing numbers of Minnesotans are being denied that basic right. We can, and must, work together to make the changes necessary to reduce nitrate contamination in our waters, and to assure every Minnesota family – no matter where they live – that the water they drink is clean and safe. Promulgating a Groundwater Protection Rule that works for farmers, and protects the public’s health, is an essential part of achieving that important goal.
The Legislature gave the Department the authority and the responsibility to prevent nitrate contamination in Minnesota’s drinking water under the Groundwater Protection Act, passed in 1989. Thirty years after the passage of the Groundwater Protection Act, the State is finally taking action in the form of the proposed rule.

We are taking swift action to meet the timetable you requested. On the afternoon of Friday, April 13th, I received a copy of the proposed Groundwater Protection Rule, and the Statement of Need and Reasonableness (SONAR) as is required by Stat. 14.131. I am approving the rule and the SONAR without delay. Be assured, the Legislature will receive a copy of the Rule and the SONAR at the same time it is sent to the State Register.

As you have stated, with precious little time remaining in this Legislative Session, and at a time of low market prices, declining farm income, and a volatile trade market, I encourage you to focus on passing legislation that would greatly benefit farmers and rural Minnesota. We need to fund the Rural Finance Authority at $35 million, provide additional funding for rural mental health support, and give farmers the choice to purchase more affordable health insurance with a MinnesotaCare Buy-In – all of which I have offered, and have strongly advocated. Additionally, I urge you to pass a federal tax conformity bill, including Section 179 expensing, which would allow farmers to save money on their equipment purchases.

In the remaining five weeks of this Legislative Session, I look forward to working with you on issues of great importance to farmers and rural communities. There is much we can agree upon, and a great deal that we can do together, to improve the lives of Minnesota’s farm families. They should expect, and deserve, nothing less.

Sincerely,

Mark Dayton
Governor

cc: The Honorable Kurt Daudt, Speaker of the House
    The Honorable Melissa Hortman, House Minority Leader
    House Republican Legislators
    Representative Jeanne Poppe
    Representative David Bly
April 16, 2018

Representative Matt Dean  
Chair, House Health and Human 
Services Finance Policy Committee  
401 State Office Building  
Saint Paul, MN 55155

Senator Michelle Benson  
Chair, Senate Health and Human 
Services Finance Policy Committee  
Minnesota Senate Building, Room 3109  
Saint Paul, MN 55155

Representative Dave Baker  
539 State Office Building  
Saint Paul, MN 55155

Senator Julie Rosen  
Chair, Senate Finance Committee  
Minnesota Senate Building, Room 3109  
Saint Paul, MN 55155

Dear Chairman Dean, Chairman Benson, Chairwoman Rosen and Representative Baker:

I write to you today regarding the status of the Opioid Stewardship Program and comprehensive legislation to address Minnesota’s opioid crisis.

Eight weeks ago, at the beginning of session, Legislative Leaders agreed that addressing this devastating epidemic would be a top priority. Last week, I sent a letter to Legislative Leaders, asking that a bill addressing the opioid crisis be advanced quickly so that legislation can be enacted by the end of this month. As of today, the House and Senate have yet to vote on any of the proposed lifesaving measures.

Instead, the Legislative Majority has removed the Opioid Stewardship Program from the House bill, letting pharmaceutical companies who have played a major role in creating this deadly epidemic off the hook, and saddling taxpayers with the costs of opioid prevention, treatment, and recovery. As public servants, we should be protecting Minnesota families whose lives are being devastated by addiction, instead of protecting the special interests of the major pharmaceutical companies, who continue to perpetuate the problem.

I urge the Senate to support Chairwoman Rosen and Senator Eaton’s Opioid Stewardship Program and require large pharmaceutical companies to contribute a minuscule amount of their enormous profits to address the crisis they have helped to create in our state. Representative Baker’s original bill also included this important approach, and I urge the House to restore the requirement that the industry that helped to create this problem help pay to prevent future addictions and deaths.

The Legislature should also include provisions in the final bill that would get Naloxone into the hands of emergency responders as quickly as possible.
When I introduced my proposal to address the opioid crisis, I asked the Legislature to pass this legislation within the first week of session. That was 55 days ago, and little action has been taken.

The Legislature must act now.

Minnesotans are dying every day as a result of opioid use. 395 Minnesotans died in 2016 alone. The greatest number of opioid-involved deaths (194 in 2016) involve commonly prescribed opioids. Our communities are struggling and families are being torn apart. The time to act for more treatment, more prevention, and more emergency services IS NOW. We cannot let another day go by before we get lifesaving Naloxone into the hands of first responders across the state.

I urge you to send me a clean bill addressing the opioid epidemic, paid for by the pharmaceutical companies, who continue to profit from it. And to do so immediately.

My Administration, Commissioners, staff, and I stand ready to work with you at any time to expedite this important work.

Sincerely,

Mark Dayton
Governor

cc: The Honorable Paul Gazelka, Senate Majority Leader
The Honorable Kurt Daudt, Speaker of the House
The Honorable Tom Bakk, Senate Minority Leader
The Honorable Melissa Hortman, House Minority Leader
April 23, 2018

Dear Speaker Daudt and Majority Leader Gazelka:

We now have less than a month to conclude the work of this Legislative Session. I am still waiting for the bills that I asked you to expedite, including legislation that would: protect elderly and vulnerable adults from abuse and neglect; ensure the safety of our schoolchildren; address our state’s opioid crisis and save lives; and stabilize the pensions of over 511,000 Minnesota workers and retirees. I urge you again to pass these measures without delay.

Unfortunately, it appears that the very important work you do on behalf of Minnesotans will be jammed into just a few weeks. These excessive delays will impede the transparency of the legislative process and deny Minnesotans the ability to engage in testimony and public debate on matters of great significance to them. Delaying will only increase the likelihood of errors in bills and rush important policy and budget decisions that need careful consideration.

As we look to the final weeks ahead, I want to outline the parameters that I believe will allow us to come to a productive and timely conclusion to the Legislative Session.

Transparency and Accountability in End-of-Session Negotiations – First, I ask that we prioritize transparency and public accountability in our end-of-session negotiations. Bills should be negotiated in Conference Committees that are open to the public and allow public participation. They is the appropriate places for my Commissioners and members of the public to provide feedback on the bills you are developing.

All Offers Must Be Made in Writing – Further, all offers that are exchanged between the Conference Committees and my Commissioners should be conveyed in writing and made available to the public. It will minimize confusion, clarify our positions, and ultimately expedite our decision-making.

Bills Must Be Available for Public Review – Before final negotiated bills are voted on, they should be posted and publicly available for review for at least 24 hours. The public deserves to know what is in these proposals, and
Legislators and Administration officials need time to review the bills for errors and to ensure they accurately reflect our negotiated agreements.

**Negotiations Must Include Commissioners and Minority Representatives** – I insist that our negotiations include Members of the Minority and my Commissioners. Each member of the Legislature was elected to represent the interests of her/his constituents, and it is imperative that those Minnesotan voices are brought to the table in negotiations. It will expedite the process and lead to favorable outcomes, if you include your colleagues and my Cabinet Members up-front.

**House and Senate Must Agree on Unified Positions** – Prior to the Executive Branch engaging in final negotiations with the Legislative Branch, the Legislature must first establish unified positions on budget bills and other key legislation. I will not engage the House and Senate separately in three-way negotiations. Rather, I expect to negotiate with the Legislative Branch as a whole, once a unified position is established on any given bill.

**Joint Budget Targets Must be Reached No Later than May 11** – In order to facilitate a constructive end the Legislative Session, we need to set joint budget targets. I suggest that Legislative Leaders and I agree on final joint budget targets no later than Friday, May 11, 2018. This will require the Legislature to set its targets by Friday, May 4, 2018 to provide at least a full week for our two branches to negotiate. This timetable will allow 10 days to finalize our work on supplemental budget items and a Tax Bill, based upon our joint budget targets. If we use the final week of session to reconcile the finer points of the budget bills, we will accomplish what we set out to do: pass fiscally responsible Supplemental Budget and Tax Bills before the end of the Legislative Session on May 21, 2018.

Setting and abiding by these parameters serve not only our better interests, but also the public’s interests. Conducting our work with higher measures of transparency and public accountability will produce better results for the people of Minnesota. And setting achievable, responsible deadlines for concluding our work is essential to avoid the last-minute confusion, clashes, and mistakes, which hinder needed progress, and of which Minnesotans are rightly tired.

Finally, I remind you again that I will veto any budget bills, which contain objectionable policy provisions or cut the operating budgets of state agencies. As I have said repeatedly, policy bills should travel separately and be debated and negotiated, based on their own merits. If you wish to send those policy measures to me, please send them separately and send them soon. And, with a $329 million surplus, cuts to state agencies are entirely unwarranted. Agency budgets were negotiated and agreed to last year, and I will not reconsider those decisions.
I urge you not to waste what little time remains in this Legislative Session by sending me bills that contain provisions I have clearly indicated I will veto. If you must, please do so as soon as possible, so that ample time remains to consider proposals, to which we can all agree, before your Constitutional deadline for adjournment.

As I have said earlier, I will not call a Special Session.

There is still time remaining in this Session for Legislators to debate publicly and act on legislation, upon which we can all agree. Minnesotans want and deserve a Legislature that is able to complete its work in a timely fashion. I urge you to do that work now, without further delays.

I look forward to coming to agreement on a shared framework for achieving a timely and productive conclusion of the 2018 Legislative Session.

Sincerely,

Mark Dayton
Governor

cc: The Honorable Tom Bakk, Senate Minority Leader
    The Honorable Melissa Hortman, House Minority Leader
May 3, 2018

The Honorable Kurt Daudt
Speaker of the House of Representatives
Room 463
State Office Building
Saint Paul, Minnesota 55155

The Honorable Paul Gazelka
Senate Majority Leader
Room 3113
Minnesota Senate Building,
Saint Paul, Minnesota 55155

Dear Speaker Daudt and Leader Gazelka:

On March 7, following the tragic school shooting in Parkland, Florida, I released my proposal for the Safe and Secure Schools Act, and urged Legislative Leaders and Committee Chairs to work quickly to pass commonsense legislation that will protect Minnesota students, reduce gun violence, and save lives. At the time, media reports counted at least 21 threats made against Minnesota schools since the Parkland shooting. Tragically, there have been at least seven more since then. Yet, more than eight weeks later, Minnesotans are still awaiting final legislative action on policies that would make our schools safer.

In an attempt to expedite progress on this critical matter, my Administration submitted my Safe and Secure Schools Act in stand-alone bill form, introduced in the House by Representative Jenifer Loon and in the Senate by Senator Eric Pratt. My proposal contains measures that would enable schools to make critical safety improvements to school facilities or hire additional student support staff. It further enables schools to provide mental health services to students who need additional support and strengthens red flag laws to help school districts and charter schools identify and assist students who exhibit warning signs of dangerous behavior.

While I am pleased to see the House and Senate have passed many of these commonsense proposals, it is extremely problematic that they are being carried in your Omnibus Bills, which contain a myriad of controversial and unacceptable provisions that I have promised I will veto, including cuts to agencies and numerous other problematic policy provisions.

I have asked you again and again to send these essential school safety provisions in a stand-alone bill; yet my requests have been ignored. You are well aware that including these essential school safety provisions in a bill destined for a veto puts these important policies at great risk of not becoming law this year. That would be irresponsible. We are very close to an agreement on these important issues, and with 18 days remaining this Legislative Session, I see no reason why we should not be able to reach consensus with time to spare.
The Honorable Kurt Daudt  
The Honorable Paul Gazelka  
May 3, 2018  
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I strongly urge you not to waste another day to move stand-alone school safety legislation forward and to my desk for signature. Our students, teachers, and families expect and deserve nothing less. Commissioner Cassellius and my staff stand ready to work with you to expedite this important work, so that all of Minnesota’s schoolchildren are assured safe and secure classrooms and schools.

Sincerely,

Mark Dayton  
Governor

cc:  Senator Thomas Bakk, Minority Leader  
Representative Melissa Hortman, Minority Leader  
Senator Eric Pratt  
Senator Carla J. Nelson  
Representative Jenifer Loon