
VETOES

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July 19, 2001

Michigan State Senate
State Capitol Building
Lansing, Michigan 48913

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 231, which provides Fiscal Year 2001 and 2002 appropriations for Capital Outlay. However, I am returning it to you because of items of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution. The specific items vetoed are contained within the attached copy of the bill, which has been filed with the Secretary of State.

This bill appropriates debt service payments on previously completed capital outlay projects; funds needed maintenance and repairs at state agency buildings; provides state restricted funds for farmland preservation, wildlife, boating, airport, transportation and national guard programs; and authorizes new capital outlay projects for planning and construction.

Debt service payments of \$283.8 million for State Building Authority Rent are contained in this bill. This appropriation will fund debt service payments on previously completed capital outlay projects for Michigan's 28 community colleges, 15 public universities, and state agencies. Maintenance funds totaling \$18 million are also appropriated for repairs at state agency buildings. Pursuant to target agreements, this is \$9.8 million less than was originally recommended, but will provide for emergency health and safety repairs at numerous state facilities.

Restricted funds totaling \$30.2 million are appropriated for the Department of Natural Resources, including \$3.3 million for State Park remodeling, \$5.4 million for wildlife habitat improvements, and \$21.5 million for waterways boating projects.

The Department of Transportation is appropriated \$9.8 million in State Trunkline revenue for various initiatives, including \$300,000 to develop plans for a new Upper Peninsula Discovery and Welcome Center in St. Ignace, and \$2.8 million to construct a new Welcome Center in Coldwater.

The Local Airport Program is appropriated \$152.7 million, which includes \$20 million in our continuing contractual commitment to the Detroit Midfield Terminal, \$1 million for the Detroit Willow Run airport and \$5 million in matching funds on Federal Aviation Administration local airport grants.

Construction authorizations are appropriated for five new capital outlay projects: one for the State legislature and four at Michigan colleges and universities. These projects are: the Roosevelt Legislative Parking Deck (\$6.6 million); Saginaw Valley State University—Instructional Facility Number 4 and Library Renovations (\$40 million); Western Michigan University—Health and Human Services Building (\$48.2 million); Western Michigan University/Lake Michigan College—Southwest Center building (\$8.5 million); and Macomb Community College—Fraser Campus renovations (\$6.5 million).

I vetoed construction authorization for two additional higher education projects at Northern Michigan University. My rationale is two-fold. First, both of the projects at Northern Michigan University include elements that do not qualify for bonding by the

State Building Authority, including parking structures, a concert hall, and campus-wide electrical system improvements. I believe that scarce State Building Authority (SBA) bond revenues should only be used for projects with specific academic or research purposes.

Second, the legislature appropriated construction authorization for each of these projects despite the fact that the Department of Management and Budget had not yet completed their review of program statements and schematic plans, nor had project materials been reviewed by the Joint Capital Outlay Subcommittee (JCOS) of the legislature. Michigan's new capital outlay process depends on a careful review of project documents by both the Executive and Legislature, prior to authorizing construction funds. My approval of these projects would have violated both the letter and spirit of this process. I urge university officials to continue to meet with budget staff in an effort to sharpen the focus of their proposal. If a "good faith effort" is made on these initiatives it is possible to revisit the university's needs later this year.

I have also vetoed language Section 903, which attempts to change the intent of funding originally appropriated to the Department of Management and Budget in 2000 PA 291 for the demolition of abandoned properties which have reverted to state ownership. This language section would earmark \$1,000,000 of that funding for use by Wayne County for demolition of properties for which the state has no legal liability. While I remain deeply committed to working with Wayne County and the City of Detroit to demolish dangerous buildings in their communities, I do not believe it is necessary to earmark a specific dollar amount in order to develop a partnership with the County. In fact, the State should be allowed to contract with the County for more than \$1 million if it deems appropriate.

Finally, planning authorization for one new higher education project is authorized in this bill - the Center for Integrated Learning and Information Technology at Michigan Technological University (MTU). However, future support for construction authorization on this project is contingent upon two factors. First, MTU must work with the Michigan Virtual University program to provide access to high technology and advanced technological training to K-12 students and teachers as part of this project.

Second, as a result of our limited State Building Authority statutory bond capacity, the commitment of State funds for this project cannot exceed \$25 million. The University may choose to reduce project scope, increase university match, or both, as a result.

I commend the legislature for their support of maintaining the infrastructure of our state through this capital outlay budget.

Sincerely,
John Engler
Governor

Compiler's note: Enrolled Senate Bill No. 231, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2001).

July 20, 2001

Michigan State Senate
State Capitol Building
Lansing, Michigan 48933

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 238, the Fiscal Year 2002 appropriations bill for the Department of State Police. However, I am returning it to you because of two items of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution.

The specific vetoes are contained in the attached copy of the bill, which has been filed with the Secretary of State.

My action today provides over \$415 million to support the critical law enforcement activities of the Michigan State Police. Among other items, this bill:

- Includes \$4.0 million in additional federal support for a criminal records rewrite project, motor carrier enforcement, and the purchase of mobile computer terminals for patrol cars.
- Includes approximately \$4.0 million in additional federal support for the purchase of equipment by local emergency management first response teams, and for passenger safety and underage drinking enforcement.
- Provides more than \$1.0 million in restricted revenue support for implementation of the new concealed weapons law.
- Includes a \$200,000 increase in the standards and training program which provides for certification of law enforcement officers.

Section 220 directs the department to collect and computerize the vehicle identification number for vehicles entered into the state accident data collection system. The Legislature did not appropriate any funds to implement this boilerplate; therefore, the department lacks the budgetary authority to comply with the boilerplate.

My action today also vetoes two items with which I do not concur and which are detailed below.

- I have vetoed a portion of the secondary road patrol funding. Overall funding for secondary road patrol has increased from \$6.7 million in 1992 to over \$12.4 million in Fiscal Year 2001, an 85 percent increase in the last decade. It is not fair to add over \$500,000 in new spending to a local road patrol program while at the same time reducing funding for state troopers. (A \$2.9 million reduction in the At-Post Trooper Account is included in this bill.) I will support restoration of funding for secondary road patrol at the overall level recommended in my Executive Budget.
- I have also vetoed boilerplate section 1202 which earmarks funding for an aeronautics safety officer position within the Department of Transportation. I do not support the establishment of a specialized position at this time.

This bill supports the essential operations of the Department of State Police for Fiscal Year 2002. I commend the Legislature for its cooperation in completing this budget.

Sincerely,
John Engler
Governor

Compiler's note: Enrolled Senate Bill No. 238, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2001).

July 20, 2001

Michigan State Senate
State Capitol Building
Lansing, Michigan 48933

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 230, the Fiscal Year 2002 appropriations bill for the Department of Agriculture. However, I am returning it to you because of two items of which I disapprove, pursuant to Article V, Section 19, of the Michigan

Constitution. The specific vetoes are contained in the attached copy of the bill, which has been filed with the Secretary of State.

My action today provides over \$100 million in funding to support the agricultural, environmental and food safety responsibilities of the Department of Agriculture. In addition, this bill:

- Includes \$3.5 million for continued support of Michigan's comprehensive Bovine Tuberculosis statewide eradication and surveillance efforts. I wish to compliment the Department in meeting the federally imposed deadline by having all dairy herds in the state tested as of June 22, 2001.
- Increases funding for horse racing programs by \$1.3 million. This represents a 13.5 percent increase over the current year.
- Increases funding by \$1.0 million for the Cooperative Resource Management Initiative for local conservation grants to assist private landowners in land management.
- Provides support of \$163,500 for the review of deer and elk farming enterprises as required under the Cervidae Producers Marketing Act of 2000.

The appropriation for the Pesticide Residue Reduction program includes a \$225,000 increase to improve regulatory oversight and industry compliance. Legislative support is needed for proposed fee changes to the Pesticide Control Act to support this program enhancement.

My action today vetoes two items with which I do not concur:

- I have vetoed section 404 which earmarks \$25,000 for the placement of milk vending machines in public areas. I am directing the Department of Agriculture to meet with the various interested parties and determine the feasibility for placement of milk vending machines in public areas.
- I have vetoed \$50,000 for Michigan festivals, and related language in section 810 which directs that the funding be used to promote commodity related festivals on a statewide basis. There is no demonstrated need for this funding and, instead, I am directing the Michigan Travel Bureau to work cooperatively with the Department of Agriculture to integrate festival promotion into their ongoing tourism activities.

This bill supports the operations of the Department of Agriculture for Fiscal Year 2002. I commend the Legislature for its prompt action in finalizing this budget.

Sincerely,
John Engler
Governor

Compiler's note: Enrolled Senate Bill No. 230, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2001).

July 23, 2001

Michigan State Senate
State Capitol Building
Lansing, Michigan 48909

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 239, the Fiscal Year 2002 appropriations bill for the Department of Transportation. However, I am returning it to you because of items of which I disapprove pursuant to Article V, Section 19, of the Michigan Constitution.

Regrettably, this bill was passed at a level significantly over the agreed upon spending level. The specific vetoes are contained in the attached copy of this bill, which has been filed with the Secretary of State.

This bill will provide landmark support for the rebuilding, repair and maintenance of Michigan's roads and bridges. Thanks to *Build Michigan II and III*, Michigan will again invest over \$3.1 billion for record improvements on the state trunkline system, local road and bridge projects, and intermodal transportation services. My action today:

- Provides for over \$27 million in additional *Build Michigan II* revenues that will continue to be shared with locals under the historical distribution formula. In addition, \$59 million in new federal revenues will also be available in Fiscal Year 2002 for debt service, planning, research, road and bridge repair, and reconstruction projects.
- Adds \$42 million in *Build Michigan III* debt service support for key capacity improvement, economic development, and passing relief lane projects. Several *Build Michigan III* projects have already commenced under the Department's aggressive planning and construction schedules.
- Supports nearly \$10 million in additional public transportation investments, including over \$7.8 million added for local bus operating assistance. Additional state and federal program support is also provided for intercity bus programs, terminal development, high-speed rail, specialized services, and the work first program.
- Reduces administrative spending by over \$3.4 million to minimize the effects of declining revenues on the state road and bridge construction program. This is in addition to the \$3.7 million in administrative savings realized in Fiscal Year 2001.

Finally, I have vetoed the following nine boilerplate sections for the reasons noted below:

- Section 340 — My action includes the veto of language in section 340 relating to the establishment of a critical bridge match program. The appropriation of \$3 million general fund/general purpose for this program violates the terms of the leadership target agreement. Furthermore, while I encourage local investment in these types of infrastructure projects, I cannot support such special interest eligibility criteria.
- section 405 — Language in section 405 relating to the \$24 million earmark of federal aid bridge funds to local off-system and local on-system categories. I have vetoed similar earmarks in Fiscal Years 2000 and 2001, and my position on this issue remains unchanged. I believe Michigan must expend its federal aid bridge funds where they will have the most impact for motorists — on the high-level state trunkline system.
- Section 605 — This language and related \$1 million appropriation for a new university road match program runs counter to the provisions authorizing expenditure of state trunkline funds in Public Act 51. In addition, campus roads are already supported as part of university operations in the higher education budget, and may qualify for funding under the institutional and agency road program in the capital outlay budget. I see no need to divert resources away from critical state trunkline needs for this purpose.
- Sections 606, 607, 609, 613 and 712 — The inclusion of these types of special interest projects for interchanges, pedestrian crossings, log truck studies, and the rehabilitation of a rail bridge undermines the appropriations process and the Department's five-year plan. I believe such programming decisions should be left to the transportation experts.

- Section 803 — My action also includes the veto of section 803. I cannot support the creation of this position when the state aeronautics fund has experienced such significant declines in available revenues.

It would have been my intention to veto section 404. However, this language is an expression of legislative intent, and, as such is not a condition of appropriation. I have directed the Department to proceed with the implementation of this TEA-21 high priority project in the manner and location they believe best meets the transportation needs of the area.

Finally, I want to express that I do not support the shifting of the Transportation Economic Development Fund (TEDF) portion of Build Michigan III debt service to 100 percent Category A. The Department has been directed that they are to implement program allocations in the TEDF consistent with existing statutory provisions.

I thank the Legislature for supporting this important budget bill, and look forward to working with you as we continue to aggressively improve Michigan's transportation systems.

Sincerely,
John Engler
Governor

Compiler's note: Enrolled Senate Bill No. 239, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2001).

July 23, 2001

Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48909

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4254, the Fiscal Year 2002 Department of Community Health appropriation. However, I am returning it to you because of items of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution. The specific items vetoed are contained within the attached copy of the bill that has been filed with the Secretary of State.

This bill appropriates over \$8.6 billion, an amount that represents a significant commitment to the health of Michigan's citizens. Highlights of the bill include:

- The appropriation of over \$5.6 billion to support the Medicaid program, which provides health care for 1.1 million low income residents of Michigan. I commend you for protecting this essential program from budgetary reductions, even in this constrained economy.
- The provision of nearly \$2 billion to support mental health and substance abuse services. The continuance of this generous level of funding to Community Mental Health Service Programs will support quality care for those most in need.
- The Department of Community Health was given unprecedented flexibility to develop a plan to curtail prescription drug cost increases. My goal is to design pharmacy options that encourage "best practice" drug utilization and still obtain the savings assumed in this bill.

- A rate increase for the Children's Waiver Program that will bring its rates into alignment with those paid to other Medicaid providers.
- The appropriation of nearly \$600 million for other public health and aging programs.

Several appropriations and policies included in this bill are inconsistent with my recommendations and I have directed the Department of Community Health to address them in the following manner:

- Summer Food Service Program – I am instructing the Department to delay implementation of this federal program until it can be determined that the federal government will provide sufficient funding to support the administrative costs of the program.
- Home and Community Based Waiver Services – This bill includes language, Section 1689, which will increase per recipient costs, but it fails to provide additional funding to finance these costs. I urge the Legislature to rescind this policy. In the interim, I have instructed the Department to reduce the number of participants in the program to insure that spending does not exceed the \$126 million appropriation.

As members of the Legislature are aware, the State of Michigan is now experiencing a period of constrained revenue. More than ever, we need to be certain that we focus available funding on high priority programs that efficiently and effectively utilize taxpayer resources. While many of the new initiatives you included in this bill have merit, I am unwilling to begin new initiatives in this difficult economic period. Accordingly, I have found it necessary to veto the items discussed below.

I have vetoed the following appropriations because they inappropriately restrict funding to selected providers or specific areas of the state: Section 906, Section 1021, Section 1023, Section 1121, Section 1127, and Section 2203.

I am vetoing the following appropriations because they deviate unacceptably from my recommendation and divert funding from higher priority initiatives: the Senior Olympics line item, Section 419, Section 1008, Section 1115, Section 1125, the Early Childhood Collaborative Secondary Prevention line item (and associated boilerplate in Section 1126), and Section 1688.

I have vetoed Section 1686, which allows nursing homes to reduce licensed beds and maintain eliminated space as an allowable Medicaid cost, because it is unlikely that this policy will qualify for federal matching funds. However, I am instructing the Department to convene a workgroup with the industry to formulate a policy that addresses the industry's bed surplus problem and complies with federal regulations.

I have vetoed funding for refurbishing the Beaver Island medical clinic that is included in this bill in Section 1644. Fiscal constraints require that we focus our limited resources on the Mackinac Island upgrade, a facility with a much greater patient load. I will, however, consider supporting funding for the Beaver Island clinic in the Fiscal Year 2003 budget.

Finally, I am vetoing the following language sections because they inappropriately place restrictions on revenues not yet received by the state: Section 224 and Section 1124.

While I have found it necessary to make numerous modifications to the bill you sent me, I have concurred with the vast majority of your appropriation actions. I appreciate the Legislature's cooperation in the development of the Department of Community Health's appropriation bill.

Sincerely,
John Engler
Governor

July 23, 2001

Michigan State Senate
State Capitol Building
Lansing, Michigan 48909

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 283. However, I am returning it to you because of one item of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution. The specific veto is contained in the attached copy of the bill, which has been filed with the Secretary of State.

This supplemental budget bill provides \$58.3 million (negative \$1.7 million general fund) in positive and negative appropriations as well as budgetary savings intended to assist in reducing the budget deficit for this fiscal year.

Key provisions of the bill include the following:

Positive Appropriations

- DNR Capital Outlay Projects: \$16.5 million is appropriated for Natural Resources Trust Fund projects; and \$5.0 million is appropriated for renovations to two fish hatcheries.
- Child Support Penalty: \$35.5 million GF/GP is appropriated for the Family Independence Agency to replace federal funds lost in child support penalties.
- Snowmobile Local Grants: \$1.7 million in fee revenues is appropriated for the Department of Natural Resources for snowmobile local grant programs.
- Clean Michigan Initiative: \$12.2 million is appropriated for the Department of Natural Resources in Clean Michigan Initiative bond funds for recreation grants to local units of government.
- Disaster Assistance: \$21.3 million is appropriated for the Department of State Police for disaster assistance grants.
- Concealed Weapons: \$2.1 million in fee revenues is appropriated for the Department of State Police for the implementation of the concealed weapons law.
- Transportation Funding: \$56.9 million for the Department of Transportation for various projects, including funding for the Soo Locks Project and increased funding for local bus operating expenses.

Negative Appropriations

- Almost \$24.4 million GF/GP in budgetary savings has been reduced from various state agencies.
- In addition, State Building Authority rent payments were reduced by \$22.3 million based on updated expenditure estimates and the Day Care Services line item was reduced by \$30.0 million to reflect reduced day care caseload estimates.
- This supplemental bill also authorizes funding shifts for three major construction projects from the general fund to the State Building Authority. The total general fund reduction for these three projects (Hall of Justice, Ypsilanti Forensic Center and State Police Public Safety Communication System) is \$211.1 million; and the general fund savings are part of the overall strategy to balance the state books for the current year.

My action today includes one veto. I have vetoed the planning authorization for the University of Michigan at Ann Arbor—School of Public Health building. The estimated cost of this project is \$43.0 million. This item is not consistent with the leadership target agreement and, if funded, would reduce available bond capacity to below \$100.0 million.

I thank the Legislature for their work on these supplemental appropriations and for their cooperation in resolving the current year budgetary problems caused by a slowdown in the national economy.

Sincerely,
John Engler
Governor

Compiler's note: Enrolled Senate Bill No. 283, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2001).

July 25, 2001

Michigan State Senate
State Capitol Building
Lansing, Michigan 48933

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 235, the Fiscal Year 2002 appropriation for the Family Independence Agency (FIA). However, I am returning it to you because of items of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution. The specific items vetoed are contained within the attached copy of the bill, which has been filed with the Secretary of State.

Members of the Legislature deserve to be commended for their support of Michigan's ongoing welfare reform policies. The Family Independence Program (FIP) monthly average caseload was only 69,820 in June, more than a 69 percent reduction from the March 1994 level, the month the caseload began its multi-year decline. Moreover, in the last 87 months the state's FIP caseload has gone up just 9 times. The savings from these caseload declines have been redirected to support the day care needs of Michigan's working families and other high priority FIA programs. In Fiscal Year 2002, funding for the day care program exceeds funding for the FIP program by more than 31 percent.

I also commend you for joining me in providing the funding needed to complete the Child Support Enforcement System. Funding is included in this budget to implement an aggressive strategy to meet federal requirements and avoid future penalties. More importantly, the completed system will be integral in insuring that children receive the child support payments that they deserve.

I am pleased with the support that you provided for core FIA programs. Thanks to your support of my \$21.4 million Adoption Subsidy increase, more than 21,000 children will be provided permanent adoptive homes. Because of a \$33.9 million Child Care Fund increase which you supported, counties will be fully funded in their efforts to serve troubled and neglected children locally. Also, as a result of your efforts, foster parents and parents receiving adoption subsidies will again receive a rate increase.

I am also pleased that you responsibly met targeted funding levels without significantly harming key FIA programs and initiatives. The necessary reductions that you adopted should have little impact on the Department's focus of meeting the needs of families and moving them toward self-sufficiency. In fact, the new fatherhood, marriage, and innovation grants initiatives that you approved in the budget should be helpful in achieving these core goals.

In two areas, however, this bill deviates unacceptably from my budget recommendations. My action today vetoes:

- Section 628, which sets aside up to \$100,000 to finance another "Ready to Succeed Dialogue" meeting and associated activities. Fiscal Year 2002 would be the fourth year of state funding for this initiative. It is now time to implement the results of

prior discussions and rely on other funding sources for future meetings and organizational efforts.

- Section 629, which requires the Department to spend up to \$100,000 in federal Temporary Assistance for Needy Families (TANF) funding on a career training contract with multicultural organizations. Funding for services of this nature is more appropriate in the Department of Career Development budget.

I commend the Legislature for its timely action on this bill.

Sincerely,
John Engler
Governor

Compiler's note: Enrolled Senate Bill No. 235, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2001).

September 28, 2001

Michigan State Senate
State Capitol Building
Lansing, Michigan 48933

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 233, containing fiscal year 2002 appropriations for the Department of Consumer and Industry Services. However, I am returning it to you because of an item of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution. The specific item vetoed is contained within the attached copy of the bill which has been filed with the Secretary of State.

The budget you have sent to me will provide the funding necessary for the Department of Consumer and Industry Services to support the health, safety and economic well being of the public through effective oversight and customer services.

However, given the fiscal constraints currently faced by the State of Michigan, one appropriation in this bill unacceptably exceeds the amount included in my budget recommendations. Therefore, I have vetoed the appropriation for Fire Protection Grants.

I appreciate the Legislature's cooperation in the development of this appropriation act.

Sincerely,
John Engler
Governor

Compiler's note: Enrolled Senate Bill No. 233, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2001).

September 28, 2001

Michigan State Senate
State Capitol Building
Lansing, Michigan 48913

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 291, the Fiscal Year 2002 appropriation for the Department of History, Arts and Libraries and for certain other state departments and Fiscal Year 2001 supplemental appropriations for the departments of Agriculture and Environmental Quality.

However, I am returning it to you because of several items of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution of 1963. The specific vetoes are contained in the attached copy of the bill, which has been filed with the Secretary of State.

Key provisions of this bill include:

- \$41.9 million total, \$36.7 million general fund, for the Department of History, Arts and Libraries. This appropriation represents the first budget bill for the department, created under a 19-bill package and signed into law as Public Acts 61 through 79 of 2001. These resources will be supplemented with Library of Michigan program funding, authorized under Public Act 83 of 2001.
- \$6.0 million general fund for Secondary Road Patrol and Traffic Accident Basic grants to county sheriff departments, restoring funding to the level recommended for Fiscal Year 2002.
- \$5 million general fund appropriation to the Agriculture Development Fund created by the Julian-Stille value-added act to support a value-added processing ethanol grant.
- \$3 million, supported by Tobacco Settlement Trust Fund revenue, for the Wayne State University perinatal research branch.
- \$197.8 million in additional federal Food Stamp spending authorization due to increasing caseloads.
- \$61.0 million for the Department of Environmental Quality to continue implementation of the Clean Michigan Initiative (CMI) and for other environmental projects.
- \$37.6 million for the Department of Natural Resources to provide acquisition and development grants supported by the Natural Resources Trust Fund.

My action today includes vetoes of \$200,000 for the Michigan biotechnology institute; \$100,000 for multicultural career training program and boilerplate section 220; \$200,000 for pregnancy and parenting services at higher education institutions and boilerplate section 225; \$200,000 for unspecified special projects for the Department of Community Health; \$9,421,000 for fire protection grants; \$3 million for the southwest Michigan innovation center and boilerplate section 602; \$1.5 million for the Oscoda Wurtsmith airport authority and boilerplate section 604; \$1.8 million for revenue sharing grants to counties and boilerplate section 900; and boilerplate section 603 earmarking \$200,000 from the Michigan promotion program for tourism activities in the northeast region of the state. I have vetoed these items due to amounts in excess of recommended levels of spending and in consideration of fiscal constraints facing the state of Michigan for Fiscal Year 2002.

I thank the Legislature for work on the budget for the Department of History, Arts and Libraries and for necessary supplemental spending items.

Sincerely,
John Engler
Governor

Compiler's note: Enrolled Senate Bill No. 291, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2001).

September 28, 2001

Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48913

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4371, which provides fiscal years 2001, 2002, and 2003 appropriations for our State's public schools. However, I am returning it to you

because of items of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution. The specific items vetoed are contained within the attached copy of the bill, which has been filed with the Secretary of State.

Enrolled House Bill 4371 provides \$11.4 billion to the public schools of this state in fiscal year 2002, an increase of five percent or nearly \$546 million. This above-inflation increase is occurring at the same time that reduced state revenues have limited higher education to a 1.5% increase and state agencies have had their budgets reduced by 2.0% overall.

In fiscal year 2002, every district will receive at least the minimum foundation allowance of \$6500 per pupil. In 1994-95, the first year of Proposal A, only 52 "wealthy" districts were funded at more than \$6,500 per pupil. What was once considered extraordinary has become universal.

The fiscal year 2002 budget also supports early childhood intervention programs such as the State's school readiness program for 4-year-olds and Parent Involvement in Education (PIE), as well as continuation of recently initiated literacy programs for the early grades. Over \$314 million is dedicated to assisting academically at-risk students of all ages. Nearly \$998 million is appropriated for special education.

I have slightly modified the fiscal year 2002 budget presented to me by the Legislature by vetoing the negative supplemental appropriations for the Golden Apple Award and for the Partnership for Adult Learning (PAL) program administered by the Department of Career Development. I want to continue to reward elementary schools for outstanding and improved student academic performance. I also want to continue to support adult education programs in fiscal year 2002.

Due to world events beyond our control, I am increasingly concerned about the fiscal year 2003 revenue picture. For that reason, I have vetoed all discretionary items in the school aid budget for fiscal year 2003, pending the development of a comprehensive fiscal 2003 state budget resolution. Fiscal year 2003 appropriations are maintained for the Proposal A guarantee, special education, school lunch mandatory payments, and cash and bond payments to Durant non-plaintiffs.

I thank the Legislature for their hard work on this budget and their continued support of public education. I look forward to working with the Legislature to develop a comprehensive fiscal year 2003 budget that will protect critical services within available revenues.

Sincerely,
John Engler
Governor