



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

October 29, 2009

Michigan House of Representatives
State Capitol
Lansing, MI 48909-7514

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4436, which makes appropriations for the Department of Community Health for the fiscal year ending September 30, 2010. I have, however, disapproved nine items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific item vetoes are detailed in the attached copy of the bill that has been filed with the Secretary of State.

This bill appropriates nearly \$2.3 billion from Michigan's general fund, representing a 6.6 percent decrease in general fund spending from the prior fiscal year. Within this budget bill, significant reductions were made to vital programs that serve Michigan's neediest citizens, including an 8% reduction to Medicaid providers that serve approximately 1.7 million Michigan residents and a \$40 million reduction in community health programs. I continue to support legislation that will generate increased federal revenue to restore these drastic reductions to essential services.

I am also concerned about savings assumptions in this bill that appear unrealistic. I have asked the Department of Community Health to closely monitor this situation and alert me to any budget problems arising from these irresponsible budgeting practices.

Because of the drastic reductions in Medicaid, mental health, and other public health funding presented in House Bill 4436, I have disapproved the following provisions that either earmark funding for special projects or provide increases to programs: Section 285, 407(5) and (6), 720, 1031, and 1717.

In addition, the Nurse Family Partnership program and the related boilerplate included in Sections 1107, 1112, and 1139 are eliminated. I would support restoration of federal funding for this program if participating local entities provide the required matching funds.

Section 1419, which allocates funding for the Michigan Agricultural Surplus System, is disapproved as this funding is duplicated in the Department of Human Services budget. I intend to sign the appropriation in that bill.

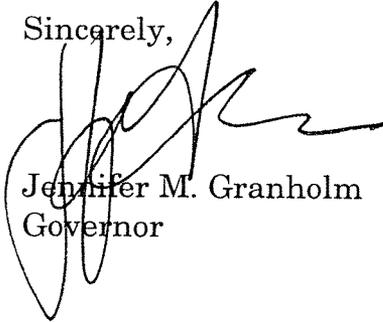
I also disapproved a line item for an additional special project, the Early Childhood Collaborative Secondary Prevention. Funding for this program is maintained in the budget for the Department of Human Services and I intend to sign the appropriation in that budget.

To provide direction regarding the implementation of this appropriations act, I note the following:

- Section 1791 of the bill purports to mandate implementation of increased reimbursement rates by October 1, 2008 and also requires the Department of Community Health to provide a report by October 1, 2008. As the current fiscal year began on October 1, 2009 and ends on September 30, 2010, these conditions do not apply to the current fiscal year and cannot be satisfied.
- Section 1796 purports to mandate that the Department direct the Health Information Technology Commission to perform specified activities. To the extent this provision conflicts with Section 2503 of the Public Health Code, MCL 333.2503, the requirements of the provision violate Section 25 of Article IV of the Michigan Constitution of 1963 and are unenforceable.
- Section 1817 purports to mandate that the Department of Community Health create a workgroup. To the extent this section mandates the creation of an entity, it would appear to exceed the scope of the title and object of the bill in violation of Section 24 of Article IV of the Michigan Constitution of 1963, and is unenforceable.
- Sections 405, 407, 442, 610, 1620, 1689, 1757, and 1819 of the bill include statements of legislative intent. While the Legislature has the right to state its advice, preferences, or wishes through a statement of intent, such statements do not impose conditions upon appropriations and are non-binding.

I thank the Legislature for completing the initial work on this budget, but much work remains to assure that we are adequately safeguarding the health of Michigan communities.

Michigan House of Representatives
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Sincerely,

Jennifer M. Granholm
Governor

c: Michigan Senate
The Honorable Terri Lynn Land