
VETOES

VETOES

March 21, 2003

Michigan State Senate
State Capitol
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

Today I am vetoing Enrolled Senate Bill 195. From a legal perspective, the bill is incurable—and from a policy perspective, the larger problem is insolvable—without regional cooperation.

First, the bill contains a multitude of legal deficiencies, some of which are constitutionally fatal. For example, it contravenes Article VII, Section 24 of the Michigan Constitution by abrogating the ability of cities and villages to acquire, own, and operate water supply and sewerage systems. Further, Senate Bill 195 could expose the state to liability by impairing the contracts and threatening the commitments to bondholders of local governments operating a water or sewerage system in violation of Article I, Section 10. The bill also requires governmental entities to engage in new activities or increased levels of service without funding as required by the Headlee Amendment. And, because certain provisions of Senate Bill 195 are inapplicable to all water and sewerage systems potentially subject to the bill's requirements in the future, the bill is a local or special act, but did not receive the two-thirds majority vote of the Legislature required by Article IV, Section 29.

Second, and perhaps more importantly, the bill fails to solve this regional problem. Instead, the legislation pits city against suburb and continues a tired battle that serves neither the residents of Detroit nor those who live in its suburbs. It leaves us divided at a time when our need for unity has never been greater.

Fortunately, a mechanism has been established to address the problems that have been identified with the water system. The system is now under a federal court consent decree. The United States District Court for the Eastern District of Michigan has issued orders giving specific direction regarding management of the Detroit Water and Sewerage Department and guidelines for the review of many of its contracting arrangements. The court has also recently formed a consortium of 40 city and suburban leaders to build regional consensus on efficient operation and management of the system, future improvements, policies to guide infrastructure needs, and rates needed to ensure adequate and equitable funding. Problems with the system should be addressed through this court mechanism. If the problems remain, the court will order a resolution.

Because the people of Michigan expect us to work as partners in crafting laws that benefit our state, I look forward to signing, with pride, bills born out of cooperation and bipartisanship that ultimately uplift, rather than divide, our citizens.

Though I have every confidence this Legislature intends to work in that same fashion, this bill fails to meet those standards.

I therefore return it to you without my signature.

Sincerely,
Jennifer M. Granholm
Governor

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June 30, 2003

Michigan State Senate
State Capitol
Lansing, MI 48909-7536

Ladies and Gentlemen:

Today, I return with my objections Enrolled Senate Bill 364, pursuant to Section 33 of Article IV of the Michigan Constitution of 1963. Senate Bill 364 is tie-barred to House Bill 4453, which is currently pending before the Michigan Senate. Given the impact of the bills upon schools, teachers, students, and parents, I do not intend to make any decisions on changes to existing policy without all proposed changes on my desk at the same time.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 364, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2003).

July 7, 2003

Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48909

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4032. 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. The specific vetoes are contained in the attached copy of the bill, which has been filed with the Secretary of State.

This supplemental budget bill provides funding of \$357.4 million (**negative** \$5.6 million general fund) for fiscal year 2003. Among other items, this bill appropriates new federal monies for a variety of purposes including the eradication of the Emerald Ash Borer, bioterrorism efforts, the Low-income Energy Assistance Program, implementation of the Help America Vote Act, Homeland Security, and local bridge and road construction.

This bill also provides general fund **reductions** of \$1.1 million for the Judiciary and \$1.8 million for the Legislature to implement fiscal year 2003 appropriation reductions that cannot legally be made by an Executive Order.

My action today also provides for the veto of the following items:

I have vetoed the \$50,000 general fund **reduction** for the Focus: HOPE program in the Department of Career Development. Reducing this program would require immediate reductions to critical job training programs such as the High School Advance Placement Program, First Step Fast Track Program, and the Center for Advanced Technology. Reductions this close to the end of the fiscal year would place an undue burden on these important programs.

I have vetoed the \$1.5 million from the cleanup and redevelopment trust fund to cover a shortfall in the current year appropriation for payments in lieu of taxes. Payment of taxes is not a legally appropriate use of this restricted fund. I will continue to work with the Legislature to identify an appropriate fund source.

I have vetoed the \$2.2 million general fund appropriation for disaster relief and associated boilerplate for storm related clean up costs in Oakland County. The April 4, 2003 storm did not meet the disaster or emergency criteria specified in PA 390 of 1976 and therefore, no declaration of emergency was made by the Governor.

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I have vetoed the \$800,000 appropriation contained within boilerplate section 275, which increases the Attorney General budget during a time of economic difficulties. The enhanced use of these funds to support the Attorney General budget is the subject of ongoing fiscal year 2004 budget discussions.

I have vetoed section 800 and the thirty-four individual road and bridge projects for the Department of Transportation. Although I have vetoed these items, I continue to work with the Legislature to identify priority road projects.

In addition, boilerplate section 351 provides for a \$1.0 million general fund penalty reduction for the Department of Education. There is no appropriation in this bill to the Department of Education; therefore, section 351 is unenforceable. Similarly, boilerplate section 601 for the Michigan Strategic Fund is unenforceable as it attempts to amend the fund's fiscal year 2003 budget act.

I thank the Legislature for your work on these supplemental appropriations for fiscal year 2003.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 4032, referred to above, became P.A. 2003, No. 39.

July 11, 2003

Michigan Senate
State Capitol
Lansing, Michigan 48909-7536
Ladies and Gentlemen:

Today I return with my objections Enrolled Senate Bill 293, pursuant to section 33 of Article IV of the Michigan Constitution of 1963. I have vetoed the bill because it is a solution in search of a problem.

Michigan law already permits the state to allow governmental public safety agencies to attach communications equipment to Michigan Public Safety Communications System (MPSCS) towers. While the previous administration denied such use, I have issued Executive Directive 2003-12 reversing that policy. Public safety agencies, including police, fire, and federal agencies, will be permitted to install equipment on MPSCS towers whenever technologically feasible and legally permissible. Legislation is not required.

I also object to Senate Bill 293 for the following reasons:

- No mechanism is included to protect the tax-exempt status of bonds issued by the State Building Authority to finance the construction of the MPSCS.
- The bill prohibits the installation of communications equipment by select tribal public safety agencies. This administration is committed to cooperative relations with all Native American tribes in Michigan.
- Finally, the bill reenacts a section of 1929 PA 152 that has been altered by two executive orders issued by my predecessor (Executive Orders 2001-3 and 2002-20), but fails to account for changes in state government affected by the orders.

For these reasons, I return Enrolled Senate Bill 293 without signature.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 293, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2003).

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July 11, 2003

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

Ladies and Gentlemen:

Today I return with my objections Enrolled House Bill 4456, pursuant to Section 33 of Article IV of the Michigan Constitution of 1963. I have vetoed House Bill 4456 for the following reasons:

1. Subdivision 2(e) of the bill provides for the appointment in certain circumstances of “a resident within that 1/2 mile area who is willing to serve on the county parks and recreation commission” but fails to define the 1/2 mile area.
2. Subdivision 2(e) of the bill requires the board of commissioners of a county with a population greater than 750,000 but less than 1,000,000 to appoint a new member to the county parks and recreation commission. Currently only Macomb County is within that population threshold. While an additional county may meet the threshold in the future, House Bill 4465 does not adequately provide for additional appointments in other counties after the first appointment made under Subdivision 2(e).

Regardless of the merits of this legislation, I cannot sign a bill containing these technical deficiencies. If the House of Representatives were in session, I would ask the chamber to consider requesting the return of House Bill 4456 for correction. Unfortunately, while I am required to act on the bill by July 14, the House of Representatives has adjourned until July 15. Accordingly, I return Enrolled House Bill 4456 without signature, but look forward to working with the Legislature to correct these problems.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 4456, referred to above, is compiled in *Michigan House Enrolled Bills (2003)*.

July 11, 2003

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

Ladies and Gentlemen:

Today I return with my objections Enrolled House Bill 4511, pursuant to Section 33 of Article IV of the Michigan Constitution of 1963. The bill amends the Administrative Procedures Act of 1969 (APA) to lengthen the current 21-day period for legislative review of proposed administrative rules. The rationale advanced in support of this bill is that the 21-day review period under current law is insufficient.

I disagree, and instead concur with a description of the 1999 amendments to the APA creating the current legislative review process, as published by your Joint Committee on Administrative Rules (JCAR) earlier this year:

“The amendments give JCAR members greater opportunity for involvement and inquiry during the rulemaking process. From an agency’s initiation of the rulemaking process by Request for Rulemaking (RFR), to the final 21-day JCAR review period, Committee members can track and take an active role in the development of administrative rules. Ultimately, the new JCAR review process gives legislators a chance to be proactive and allows them to help shape the many agency rules that affect Michigan residents.”

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The current review process is sufficient. House Bill 4511 does not contribute to the efficient and effective administration of state government.

Accordingly, I return Enrolled House Bill 4511 without signature.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 4511, referred to above, is compiled in *Michigan House Enrolled Bills (2003)*.

August 5, 2003

Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48909

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4396, which provides fiscal year 2003 supplemental funding and the fiscal year 2004 appropriations for state universities and student financial aid. 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.

Total fiscal year 2004 appropriations in this bill are \$1.79 billion; this amount includes state university operations funding of \$1.46 billion. For 11 universities this funding reflects a 6.7 percent reduction from fiscal year 2003 state support. The bill allocates \$9.5 million to implement a per-student funding floor of \$3,890 benefiting Central Michigan University, Grand Valley State University, Oakland University, and Saginaw Valley State University.

The bill also includes a fiscal year 2003 supplemental of \$7 million in one-time funding for state university operations.

Funding totaling \$261.7 million is provided for student scholarships and grants, including: \$130 million to fund Michigan Merit Awards at the current award level of \$2,500; \$66.8 million for tuition grants for students attending private colleges; \$35.5 million for state competitive scholarships; \$9.25 million for grants under the Tuition Incentive Program which provides assistance for low-income Medicaid-eligible students to attend college; and, \$4 million to continue the nursing scholarship program begun this year.

I have vetoed \$82,500 for Midwestern Higher Education Compact dues contained in this bill. If Michigan higher education institutions desire to continue membership in the Compact, they may coordinate the payment of the annual dues through their statewide organizations.

I thank the Legislature for your support for our state universities and for student financial aid programs during difficult budget times.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 4396, referred to above, became P.A. 2003, No. 144.

VETOES 2003

August 7, 2003

Michigan House of Representatives
State Capitol Building
Lansing, MI 48933

Ladies and Gentlemen:

Today I signed Enrolled House Bill 4400, the fiscal year 2004 appropriations bill for the Department of Natural Resources. However, I am returning it to you because of three 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 completes the fiscal year 2004 budget for the Department of Natural Resources, and:

- Include \$18.0 million in support for the payment in lieu of taxes program. I encourage the Legislature to continue efforts to identify a long-term solution to the ongoing funding problem for taxes of state lands.
- Replaces General Fund support of the State Parks with \$6.0 million in Park Endowment Funds and \$2.5 million for increased motor vehicle entry permits.
- Provides an additional \$4.0 million in federal support to assist in Emerald Ash Borer reforestation efforts.
- Provides an additional \$1.0 million in Snowmobile Trail Improvement Funds for local snowmobile grants.

My action today also vetoes three items with which I do not concur. I have vetoed boilerplate section 603 that appropriates \$22,100 for a grant to complete the Big Rapids river walk project, as restricted fund resources have already been made available for this project in Enrolled Senate Bill 540.

I have vetoed funding for a Sebewaing Harbor Commission Flood Control Grant, as this project should be considered for State Waterways funding support through the regular competitive grant-in-aid process.

I have also vetoed \$20,000 for the Bennett Arboretum, as this project should be considered for funding through the regular competitive Urban Forestry Grants program.

Finally, I believe that section 407 is legally unenforceable, since it attempts to modify the fee paid to retailers for credit card license sales without amending the existing law governing retailer fees (MCL 324.43541).

I commend the Legislature for its cooperation in finalizing the Fiscal Year 2004 budget for the Department of Natural Resources.

Sincerely,
Jennifer Granholm
Governor

Compiler's note: Enrolled House Bill No. 4400, referred to above, became P.A. 2003, No. 147.

August 7, 2003

Michigan State Senate
State Capitol Building
Lansing, MI 48933

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 288 the fiscal year 2004 appropriations bill for the Department of Agriculture.

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My action today provides over \$97.2 million in funding to support the agricultural, environmental and food safety responsibilities of the Department of Agriculture. In addition, this bill includes new federal funding of \$7,250,000 for Emerald Ash borer for survey activities in southeast Michigan and other areas in the state that are now being identified with the disease. The bill also appropriates \$4,200,000 to continue the state's efforts to contain the spread of bovine tuberculosis in the state.

In addition, \$316,700 of general fund is replaced with restricted revenues through increases in fees for the nursery, pet shop, and livestock industries.

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

- I have vetoed language section 224 as funding is contingent on future legislative action. If and when revenue enhancements are enacted, appropriate distribution of any resulting revenues should be determined at that time.
- I have vetoed funding for the Southwest Michigan tourist council - taste of Michigan (\$15,000), and the Northwest Michigan Horticulture research station (\$10,000) as these items are not part of the core functions of the department.
- I have vetoed language section 212 for indemnification of apiarian losses caused by bears since this expands current indemnification responsibilities and no additional funding was appropriated for this purpose.

This bill supports the essential operations of the Department of Agriculture. I commend the Legislature for its work on this budget.

Sincerely,
Jennifer Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 288, referred to above, became P.A. 2003, No. 157.

August 11, 2003

Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48909

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4401, the supplemental school aid bill for fiscal years 2003 and 2004. 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. The specific vetoes are contained in the attached copy of the bill, which has been filed with the Secretary of State.

Enrolled House Bill 4401 appropriates over \$12.5 billion for fiscal year 2004 to support K-12 education in Michigan, \$11.2 billion in state funds and \$1.3 billion in federal funds.

This budget truly demonstrates that education remains Michigan's top priority. In the face of declining state revenues, we continue to demonstrate our strong mutual commitment to the education of our children. Together, we have succeeded in maintaining a minimum per-pupil foundation allowance for school operating purposes of \$6,700, at a cost of \$9.7 billion. We have protected funding for At-Risk programs, School Readiness grants, and Class-Size Reduction grants. I also commend the Legislature for recognizing the importance of preschool activities by approving the Intermediate School District -

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operated early literacy and parent involvement program that will provide valuable services to children between the ages of 0-5.

Another notable item of agreement in this budget is the creation of the School Aid Stabilization Fund. This action was instrumental in Standard & Poor's recent decision to reaffirm Michigan's AAA bond rating. The anticipated deposit of \$73 million into this savings account will help protect school funding if School Aid Fund revenues decline below projections.

My action today provides for the veto of several items contained in Enrolled House Bill 4401. Because Enrolled House Bill 4401 is a supplemental appropriations bill for fiscal year 2004, the impact of several of my vetoes will be to restore current law provisions.

I have vetoed amendatory language in Section 20(20) that stops the annual \$15 million supplemental payment to Detroit Public Schools at the end of fiscal year 2003. Existing language clearly indicates that this supplemental funding is intended to continue as long as the reform board remains in place. I intend to honor that commitment.

I have vetoed Section 94a, provisions related to the Center for Educational Performance and Information (CEPI). The Legislature reduced operating funds significantly below my original Executive Recommendation, while earmarking \$1.5 million for a specific vendor. The impact of my veto is to restore operations funding for CEPI to the \$4.5 million in current law for fiscal year 2004. I have directed the State Budget Director to work with the Legislature to negotiate a lesser, but sufficient, amount of operating funds for CEPI for all of the functions identified in pending Senate Bill 365.

I have vetoed Section 55a, a new \$50,000 grant to Grand Valley State University for the Conductive Learning Center. Since Grand Valley State University received a substantial funding increase in the fiscal year 2004 higher education budget, I encourage them to fund this endeavor from their own resources.

I have vetoed the following district-specific provisions because they authorize differential treatment for select districts: Sections 22d, 22e and 107(16).

While I cannot veto the provisions of section 101 regarding minimum days and hours of instruction without vetoing the entire school aid budget, I am asking the Legislature to revisit this issue. Changes made by the Legislature eliminate the requirement that school districts provide a minimum of 180 school days per year. Only the required minimum of 1,098 hours of instruction per year is maintained. Ostensibly, the purpose of this change is to provide districts with more flexibility; however, districts currently have the ability to apply to the Department of Education for a waiver of the minimum number of school days. If districts use the maximum number of exempted hours authorized in this bill, they would only have to provide 1,017 hours of instruction or up to 11 days less than the 180 days now required. This provision allows school districts, regardless of size, or the impact on student achievement, or the impact on parents, to shorten the school year as a money-saving technique. Like the Legislature, I have been hearing from many concerned parents. I ask that the Legislature reexamine the need for these sweeping changes. Research indicates that more time-on-task is needed to improve student achievement, not less.

I commend the Legislature for your hard work on behalf of Michigan's children.

Sincerely,
Jennifer M. Granholm
Governor

VETOES 2003

August 11, 2003

Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48909

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4392, the fiscal year 2004 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 nearly \$9.5 billion, an amount which represents a significant commitment to the health of Michigan's citizens. Highlights of the bill include:

- The appropriation of \$6.5 billion to support the Medicaid program, including Children's Special Health Care Services, which provides health care for nearly 1.3 million low income residents of Michigan. I commend you for protecting this essential program from major budgetary reductions, even in this constrained economy.
- The provision of over \$2.1 billion to support mental health and substance abuse services. The continuation of this significant level of funding will support quality care for those most in need.
- The appropriation of over \$644 million for other public health and aging programs.

I have vetoed the following appropriations for the reasons noted below.

Section 853 has been vetoed to avoid jeopardizing federal funding for the State's bioterrorism efforts. The State's existing cooperative agreement with the Centers for Disease Control and Prevention (CDCP) did not include this \$1 million allocation for the Michigan State University multi-species laboratory. CDCP has expressed concern that this new allocation would preclude the State from achieving the critical objectives as specified in the cooperative agreement.

I have vetoed section 1628, which exempted recipients of Children's Special Health Care Services from prior authorization for prescription drugs. Prior authorization offers patient protections that children's advocacy groups would like to see extended to this population. I am in agreement and have therefore vetoed this language.

Section 1630 has been vetoed because it restored funding for hearing aid, podiatric, and chiropractic services. These services were reluctantly excluded from my Executive Recommendation as part of the Adult Benefits Waiver, which was designed to protect eligibility while constraining costs. Restoration of these services is not supportable in this time of austerity.

I have vetoed section 1716 because it constrains the State's ability to modify the Adult Benefits Waiver proposal, if necessary, as part of negotiations with the Federal government or in response to unforeseen future needs.

While I have found it necessary to make modifications to the bill you sent me, I have concurred with the vast majority of your budget actions. I appreciate the Legislature's cooperation in the development of a particularly difficult budget and your sincere effort to be fiscally responsible in this time of restricted revenue.

Sincerely,
Jennifer Granholm
Governor

VETOES 2003

August 12, 2003

Michigan State Senate
State Capitol
Lansing, Michigan 48909

Dear Legislators:

Today I have signed Enrolled Senate Bill 265, the FY 2004 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. 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 support of over \$3.1 billion for the rebuilding, repair and maintenance of Michigan's transportation infrastructure, as well as key intermodal and public transportation programs. My action today:

- Provides over \$2.5 billion in road and bridge construction funds to the Department of Transportation and local road agencies in fiscal year 2004 for the preservation, repair, and maintenance of Michigan's transportation network.
- Includes over \$269 million for public transit and intermodal transportation programs in fiscal year 2004, including \$172.6 million for bus operating assistance grants to local transit agencies.

I have vetoed the following items for the reasons noted below:

1. My action includes the veto of Section 405, which requires that 20 percent of all federal highway bridge replacement and rehabilitation program funds be allocated to the critical bridge fund for the purpose of repairing or replacing bridges in the local off-system and local on-system categories. While sympathetic to the needs of local road agencies, I cannot support the diversion of over \$5.9 million from the Department of Transportation's road and bridge construction program at this time. I remain committed, however, to looking at alternatives that will address local critical bridge needs in the future.
2. I have vetoed sections 613, 614, 615, 616, 617, 618, 619, 620, and 621. The inclusion of these types of special interest projects for feasibility studies, bridge repair and replacement, interchange, and installation of traffic lights undermines the appropriations process and the State Transportation Commission, and is my reason for taking this action today.
3. I also vetoed section 732 in order to hold ferry operators harmless from what may be an invalid appropriation in subsection (2). Section 10c(h) of Public Act 51 of 1951, as amended, specifically exempts "transportation which is exclusively for school purposes" from the definition of public transportation. This exemption would appear to prohibit the expenditure of Comprehensive Transportation Funds for the intended purpose of reimbursing ferry operators. Had I not vetoed this entire section, ferry operators may have been adversely impacted by the farebox prohibition included in subsection (1).

I did not veto language in Section 404 regarding the earmarking of Congressionally designated high priority funds in Kalamazoo County since the language is merely an expression of legislative intent. The Department of Transportation is directed to proceed

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with the implementation of this Transportation Equity Act for the 21st Century (TEA-21) project in the manner and location they believe best meets the transportation needs of the area.

I thank the Legislature for its work on this important budget bill.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 265, referred to above, became P.A. 2003, No. 162.

August 12, 2003

Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48933

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4393, the fiscal year 2004 appropriations bill for the Department of Environmental Quality. I am, however, 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:

- Includes \$8.6 million in support of the National Pollutant Discharge Elimination System (NPDES) Program, including \$3.0 million of estimated new NPDES fees. I urge the Legislature to finish its work on Senate Bill 252 in order to implement the new fee structure.
- Includes \$1.9 million in support of the Septage Waste Program, which provides grants to local units of government to ensure that septage disposal is not detrimental to the environment.
- Includes \$1.0 million in support of a statewide groundwater inventory and map required in Enrolled Senate Bill 289. This inventory and map is the first step in improving groundwater management and is necessary for the state's comprehensive water management strategy.
- Includes \$1.7 million in new Groundwater Discharge Permit Fees in support of the Groundwater Discharge Program, previously supported by General Fund. Again, I urge the Legislature to finish its work on Senate Bill 540 in order to implement the new fee structure.
- Includes \$800,000 in support of the Aquifer Protection and Dispute Resolution and Aquifer Protection Revolving Fund Programs. House Bill 4087, which requires the Department to investigate and resolve groundwater withdrawal conflicts, is awaiting enrollment pending negotiations on an alternative-funding source with Representative Moolenaar. If successful, Representative Moolenaar will initiate action to adjust funding to reflect the final agreement.
- Replaced \$2.6 million General Fund support of the Solid Waste Management Program with new Solid Waste Fees. The proposed new fee structure includes fees for out-of-state waste in direct proportion to the amount of waste received in Michigan landfills.

VETOES 2003

- Includes \$2.5 million in support of the Stormwater Discharge Program, which will allow the Department to comply with Phase II of the Federal Storm Water Program. Once again, I urge the Legislature to finish its work on Senate Bill 510 in order to implement the new fee structure.
- Provides \$2.8 million in additional funding for Scrap Tire Grants.

My action today also vetoes two items with which I do not concur. I have vetoed portions of section 1104, which provides \$1,000,000 to operate a comprehensive monitoring program for the St. Clair River, Lake St. Clair, and the Clinton River watershed. The fiscal year 2003 appropriation for the Department of Environmental Quality contains \$2.5 million to implement a comprehensive monitoring plan, jointly developed by the Department and the Macomb County Health Department, for the Lake St. Clair watershed. This existing appropriation is adequate to fund water quality monitoring activities for the Lake St. Clair watershed through fiscal year 2005. I have also vetoed boilerplate section 901, which provides funding for the posting of beach signs at publicly owned beaches. I support the use of federal funding, available through grants to local health departments, for this purpose.

This bill supports the essential operations of the Department of Environmental Quality for fiscal year 2004. I commend the Legislature for its prompt action in finalizing this budget.

Sincerely,
Jennifer Granholm
Governor

Compiler's note: Enrolled House Bill No. 4393, referred to above, became P.A. 2003, No. 171.

August 12, 2003

Michigan State Senate
State Capitol Building
Lansing, Michigan 48909

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 283, the fiscal year 2004 appropriation for the Family Independence Agency (FIA). However, I am retuning 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 nearly \$4.0 billion, an amount that represents a significant commitment to the safety, well-being, independence, and permanency of Michigan's children and families. Highlights of the bill include:

- Full funding of projected caseloads and costs for the Family Independence Program (\$369.3 million), State Disability Assistance Program (\$28.7 million), Food Assistance Program (\$833.0 million), and Child Day Care Services (\$490.2 million).
- The appropriation of over \$600 million for the foster care, Child Care Fund, and adoption subsidies programs to provide children with caring families and safe homes.
- \$70 million for maintenance and operation of Michigan's Child Support Enforcement System, which is scheduled to be implemented in all 83 counties and federally certified by September 30, 2003.

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- A \$12.7 million general fund increase to improve the accuracy and integrity of Food Assistance Program administration, and avoid future federal sanctions.

I am pleased that the Legislature 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. However, there are several areas where administrative savings were taken in this bill that will be difficult or impossible for FIA to achieve. In the very near future, I will be proposing a non-general fund supplemental appropriation to restore some of these unacceptable cuts to the FIA budget.

To free up revenue to fund some of these inadequate appropriations and to begin to address a structural imbalance in the Temporary Assistance for Needy Families (TANF) block grant in fiscal year 2005, my action today vetoes the following items, which deviate unacceptably from my budget recommendations:

- Portions of Section 413, which funds numerous new initiatives with the Child Support Enforcement System Penalty Refund that we expect to receive following federal certification of the system on or about September 30, 2003. It is more appropriate to set these funds aside to protect funding for core programs, and to restore unachievable administrative savings included in this bill. Although I vetoed the rate increase for foster care placing agencies, I support an increase for foster parent and adoption subsidy rates, which have not been increased since October 2001. Other Section 413 initiatives are somewhat duplicative of initiatives funded in part 1, such as the Section 413(n) pregnant teen adoption counseling program and the part 1 appropriation for Teenage Parent Counseling.
- Section 716, which requires the Family Independence Agency to pursue the sale of excess property at the W.J. Maxey Training School and makes a contingency appropriation of \$5.0 million from the net sale proceeds. This provision regarding the conveyance of land does not belong in an appropriations act. In addition, since no decision has yet been made to sell this property, or to assess the potential value of the land, this appropriation is premature and uncertain.
- Sections 415, 416, 418, and 420, which provide TANF funding for pilot programs that I did not include in my recommendation. I do not support the continuation or creation of pilot programs given the scarcity of TANF revenues and the structural imbalance that will have to be addressed in fiscal year 2005. Also, the Family Independence Agency is already administering an Individual Development Account program, funded by a work project that has statutory authority through fiscal year 2004.

While I have found it necessary to make several 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 a particularly difficult budget and your sincere effort to focus on preserving the services that matter most to Michigan's citizens.

Sincerely,
Jennifer Granholm
Governor

VETOES 2003

August 12, 2003

Michigan State Senate
State Capitol Building
Lansing, Michigan 48909

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 540. This supplemental budget bill provides funding of \$499.8 million (**negative** \$13.3 million general fund) for fiscal year 2003 and \$50.5 million (\$50.2 million general fund) for fiscal year 2004. 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.

Among other items this bill:

- Provides \$268.1 million in Medicaid supplemental funding to address increased caseloads, financed with the enhanced earnings from the recently enacted federal fiscal relief legislation.
- Provides \$47.6 million for improved election administration, replacement of outdated voting equipment and to facilitate improved access for disabled and absent voters as mandated by the federal Help America Vote Act.
- Provides \$41.6 million from federal and state restricted funds final implementation of Michigan's Child Support Enforcement System.
- Provides \$37.7 million in federal revenues to the Michigan State Housing Development Authority for payments on behalf of tenants and to support the increased participation in the Section 8 subsidized housing program.
- Provides \$12.3 million in federal homeland security grants earmarked for the City of Detroit to enhance security of urban areas and critical infrastructure.
- Provides a one-time funding of \$10.0 million for a biosciences research and commercialization center at Western Michigan University and \$2.2 million for research, development and commercialization of automotive technologies and products.
- Provides an additional \$10.8 million in federal revenue to assist low-income individuals and families with payment of their utility bills.
- Provides \$8.9 million for four property acquisition and 23 local recreation development projects through the Michigan Natural Resources Trust Fund. These projects support the acquisition of various lands for public recreation and/or the preservation of open space as well as the development of public outdoor recreation opportunities.
- Provides \$4.0 million to replace point-of-sale hunting and fishing license terminals, to purchase kiosks in order to continue implementation of the self-service initiative and to make software changes to accommodate the new terminals and kiosks.

My action includes the veto of the construction authorization and corresponding boilerplate for the 400-bed female housing unit at Western Wayne Correctional Facility. The site identified in the construction authorization is not that which was recommended by the Executive. While I believe that we still need additional capacity relative to the female prison population, I am not prepared to authorize construction at a site that has not been carefully reviewed and evaluated. This issue needs further analysis and public input before proceeding.

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I thank the Legislature for your work on these supplemental appropriations for fiscal years 2003 and 2004.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 540, referred to above, became P.A. 2003, No. 173.

August 25, 2003

Michigan Senate
State Capitol
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

Today I return with my objections Enrolled Senate Bills 464 and 466, in accordance with Section 33 of Article IV of the Michigan Constitution of 1963. These bills are not in the best interests of Michigan taxpayers.

Under current law, when all of the costs of the Mackinac Bridge, including advances to the Mackinac Bridge Authority funded by Michigan taxpayers, are repaid, the ownership of the Mackinac Bridge and other rights and property of the Authority must be transferred to the State of Michigan. Senate Bills 464 and 466 would eliminate this statutory requirement to the long-term detriment of the State of Michigan and Michigan taxpayers.

Accordingly, I return Enrolled Senate Bills 464 and 466 without signature.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill Nos. 464 and 466, referred to above, are compiled in *Michigan Senate Enrolled Bills* (2003).

August 25, 2003

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

Ladies and Gentlemen:

Today I return with my objections Enrolled House Bill 4627, in accordance with Section 33 of Article IV of the Michigan Constitution of 1963. This legislation is not in the best interests of Michigan taxpayers for two reasons:

1. The bill would forgive the Mackinac Bridge Authority's obligation to repay \$53.2 million in advances owed to the State of Michigan—advances paid by Michigan taxpayers.
2. Under current law, when all of the costs of the Mackinac Bridge, including advances to the Mackinac Bridge Authority funded by Michigan taxpayers, are repaid, the Mackinac Bridge and other rights and property of the

VETOES 2003

Authority must be transferred to the State of Michigan. House Bill 4627 would eliminate this statutory requirement to the long-term detriment of the State of Michigan and Michigan taxpayers.

Accordingly, I return Enrolled House Bill 4627 without signature.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 4627, referred to above, is compiled in *Michigan House Enrolled Bills (2003)*.

August 25, 2003

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

Ladies and Gentlemen:

Today I return with my objections Enrolled House Bill 4631, in accordance with Section 33 of Article IV of the Michigan Constitution of 1963. In light of current budget conditions, this legislation is not fiscally responsible.

Fiscal constraints confronting the State of Michigan have forced the delay of transportation projects throughout Michigan. House Bill 4631 would further exacerbate the situation by diverting at least \$5.25 million annually to the Mackinac Bridge Authority, at the expense of road and bridge projects throughout Michigan. At this time it is inappropriate to shortchange local transportation needs by transferring road and bridge funding to the Mackinac Bridge Authority, which has the statutory power to levy tolls.

Accordingly, I return Enrolled House Bill 4631 without signature.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 4631, referred to above, is compiled in *Michigan House Enrolled Bills (2003)*.

October 10, 2003

Michigan Senate
State Capitol
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

As provided by Article IV, Section 33 of the Michigan Constitution of 1963, today I return with my objections Enrolled Senate Bill 395. I do so because federal courts repeatedly have declared unconstitutional efforts to end partial birth abortion, and Senate Bill 395 does not remedy deficiencies identified by the courts.

The U.S. Supreme Court and a series of other appellate courts have specifically ruled that a ban on partial birth abortion must include an exception for the life and health of the mother.¹ This bill does not contain that clear exception. In fact, the Michigan State Medical

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Society and the American College of Obstetricians and Gynecologists both strongly oppose this bill since it does not contain a valid exception for the health of the mother and it easily could be interpreted to outlaw even first trimester abortions.

I am very aware that the abortion debate remains one of the most emotional and highly charged of our times. While those on both sides of this issue may not be able to agree on the state's role in the abortion question, surely we can find some common ground in reducing the demand for abortion. I would hope we could work together, in a bipartisan fashion, to prevent unwanted pregnancies and remove barriers to adoption. I stand ready to lead in these efforts and ask proponents from both sides of the debate to join me.

Respectfully,
Jennifer M. Granholm
Governor

¹ In *Stenberg v Carhart*, 530 US 914, 120 S Ct 2597, 147 L Ed2d 743 (2000), Justice O'Connor wrote that the challenged Nebraska statute was unconstitutional "because it lacks an exception for those instances when the banned procedure is necessary to preserve the health of the mother." *id.*, at 947; 120 S Ct 2618.

Compiler's note: Enrolled Senate Bill No. 395, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2003).

December 23, 2003

The Honorable Mark Shulman, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48901

Dear Legislators:

Today I have signed Enrolled House Bill 4367, which provides supplemental appropriations for fiscal years 2003 and 2004. This bill is an integral part of our joint efforts to balance the budget and I appreciate your prompt action on these critical budgetary matters.

However, I am returning the bill 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. The following three items were not agreed to and are outside of the leadership and executive agreement. Specifically, I have vetoed:

- An appropriation of \$660,000 for the Attorney General and related Section 222, which earmarks funds for the costs of unspecified investigations of intermediate school districts. If such investigations are needed, then the costs should be absorbed within the current budget of the department responsible for conducting the investigations. Prosecutions and investigations conducted by state agencies such as the Attorney General, Auditor General and the State Police are part of their basic mission and should not be contingent on special appropriations.
- Section 421, which transfers \$100,000 from the State Aid to Libraries line item to the Historical Administration and Services line item. I support the funding distribution in the original fiscal year 2004 budget for the Department of History, Arts and Libraries.

VETOES 2003

- An appropriation of \$2,250,000 of Snowmobile Trail Improvement Funds and related section 521, which allocates those funds for the purchase of lands or easements for snowmobile trails and for repair of crossing grade bridges on a trail in Cadillac. This issue was never discussed with the Administration and I believe that it is inappropriate to purchase additional state lands until we have a final resolution of the payments-in-lieu-of-taxes issue.

I appreciate your action on this bill and your willingness to work in a bi-partisan fashion to resolve the revenue shortfall.

Sincerely,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 4367, referred to above, became P.A. 2003, No. 237.

December 23, 2003

Michigan Senate
State Capitol
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

I return with my objections Enrolled Senate Bill 840, pursuant to Section 33 of Article IV of the Michigan Constitution of 1963. I have vetoed the bill for the following reason, among others:

The duties assigned to a new bureaucracy created by this bill within the Michigan Economic Development Corporation ("MEDC") unnecessarily duplicate functions and responsibilities already performed by the MEDC. The MEDC needs maximum flexibility to encourage private sector job growth and should not be hindered by a legislatively imposed mandate to create new government bureaucracy.

For this reason, I return Enrolled Senate Bill 840 without signature.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 840, referred to above, is compiled in *Michigan Senate Enrolled Bills (2003)*.

December 2, 2003

Michigan Senate
State Capitol
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

Today I return with my objections Enrolled Senate Bill 687, as provided under Section 33 of Article IV of the Michigan Constitution of 1963. The bill would amend Public Act 139 of 1973, which relates to the optional unified form of county government, to:

- Authorize a deputy to perform the duties of county executive when the county executive is absent or unable to perform his or her duties; and
- Change the process for the appointment or election of a new county executive in the event of the death or resignation of a county executive.

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The stated intent of this legislation—to provide a clear line of succession for the office of county executive in Oakland County—is laudable. Unfortunately, while creating new procedures for Oakland County, this bill would repeal any legal authority to fill a vacancy in the office of county executive in Bay County. This is a serious flaw that cannot be ignored.

Because legal uncertainties could arise in Bay County if Senate Bill 687 were enacted, I have vetoed the bill. While I return Enrolled Senate Bill 687 without signature, I look forward to supporting a new bill that addresses the shortcomings of this legislation.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 687, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2003).

January 9, 2004

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

Ladies and Gentlemen:

I return with my objections Enrolled House Bill 5306, pursuant to Section 33 of Article IV of the Michigan Constitution of 1963. I have vetoed the bill for the following reason, among others:

The duties assigned to a new bureaucracy created by this bill within the Michigan Economic Development Corporation (“MEDC”) unnecessarily duplicate functions and responsibilities already performed by the MEDC. The MEDC needs maximum flexibility to encourage private sector job growth and should not be hindered by a legislatively imposed mandate to create new government bureaucracy.

Accordingly, I return Enrolled House Bill 5306 without signature.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled House Bill No. 5306, referred to above, is compiled in *Michigan House Enrolled Bills* (2003).

January 9, 2004

Michigan Senate
State Capitol
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

I have vetoed and am returning Enrolled Senate Bill 474 for your reconsideration.

While I support the intent of this legislation and acknowledge the need to create a regulatory framework designed to protect Michigan workers from fraud, abuse, and other unlawful activity associated with payday lending, our constituents deserve better.

Senate Bill 474 would allow a lender to charge a transaction fee as high as 13.25% of the face amount of a check or checks given to secure a payday loan, resulting in an effective rate as high as 15.27% on \$500 check. That percentage is too high. Florida, for example, caps the rate at 10% with an optional fee of up to \$5 for the same service.

VETOES 2003

Additionally, I have previously signed Public Act 215 of 2003 that will provide an alternative to high-rate payday loans by allowing credit unions to offer loans of up to \$1,000 for 30 days with a maximum fee of only 10%.

To achieve sufficient protections against unscrupulous lenders, I pledge the full cooperation of my administration, including the Office of Financial and Insurance Services. Let us proceed together in developing a regulatory framework that provides sufficient safeguards for Michigan workers at more reasonable rates.

Accordingly, I return Enrolled Senate Bill 474 without signature as provided under Section 33 of Article IV of the Michigan Constitution 1963.

Respectfully,
Jennifer M. Granholm
Governor

Compiler's note: Enrolled Senate Bill No. 474, referred to above, is compiled in *Michigan Senate Enrolled Bills* (2003).
