STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

July 1, 2009

The Honorable Kirk Adams
Speaker of the House of Representatives
Arizona State House of Representatives
1700 West Washington
Phoenix, AZ 85007

Dear Speaker Adams:

Today I signed House Bill 2643, the "trailer" bill making revisions to Senate Bill 1188, the General Appropriations Act for FY 2009-10.

My signature on the bill, setting aside the line item actions I have taken, reflects my view that a shutdown of government services is not in the best interests of our State and its citizens. This bill reflects many improvements over Senate Bill 1188 but there are too many inadequacies in light of the legislature's failure to provide a comprehensive solution to the State's FY 2009-10 fiscal crisis. By refusing to turn over all the budget bills until early on July 1, 2009, I have been unable to express my concerns using my Constitutional powers in a timeframe in which a complete FY 2010 package could have been adopted. As a result, I am forced to cobble together a resolution that contains flaws, but is superior to Senate Bill 1188 or House Bill 2643 taken independently.

My line item vetoes and brief explanations follow:

A. Excessive Lump Sum Reductions

1. Department of Economic Security
   Page 38, lines 6-25
2. Department of Environmental Quality
   a. Page 46, lines 29-43
   b. Page 47, lines 1-14
3. Department of Health Services
   Page 61, lines 19-34
4. Universities
   Page 78, lines 20-39
5. Department of Economy Security
   Page 100, lines 8-13

B. Underfunded K-12 Budget. I have stated throughout my time in office that I am unwilling to agree to a K-12 Budget that does not adequately meet the needs of

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our public education system. While the extreme fiscal condition of our state makes some reductions necessary, the cuts enacted by the legislature in Senate Bill 1188 are significantly greater than those advanced in my budget. The possibility of revenues from the temporary sales tax would have helped mitigate the impacts of the proposed cuts to K-12 schools. Furthermore, the federal stimulus funds will be woefully inadequate to offset the impacts of these reductions for FY 2010, creating the specter of even larger unmitigated cuts for FY 2011 and beyond. Consequently, I am eliminating the proposed appropriation to K-12 in hopes that I can work with the legislature to enact an acceptable level of funding for the upcoming fiscal year.

1. Page 39, lines 21-29
   Page 39, lines 30-35
2. Page 40, line 5
   Page 40, lines 7-13

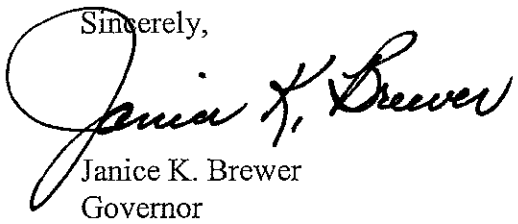
C. Inappropriate and Excessive Tax Distribution Change: I am vetoing the transfer of $43,170,600 in VLT monies to the State General Fund which is being done instead of the normal distribution to the State Highway Fund.

Page 94, lines 1-9

D. Legislative Attempts to Appropriate Federal Funds. These actions do not fall within the authority of the Legislature.

1. Page 26, lines 38-42
2. Page 29, lines 5-11
3. Page 32, lines 24-28
   Page 32, lines 35-39
4. Page 35, lines 41-45
5. Page 56, lines 13-17
6. Page 95, lines 22-41
7. Page 96, lines 1-40

Sincerely,



Janice K. Brewer
Governor

cc: The Honorable Robert Burns
The Honorable John Kavanagh
The Honorable Russell Pearce