STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

July 1, 2009

The Honorable Robert Burns
President of the Senate
Arizona State Senate
1700 West Washington
Phoenix, AZ 85007

Dear President Burns:

Today I signed Senate Bill 1188, the 2009-10 General Appropriations Act, while at the same time exercising my line item veto authority with respect to several specific items of appropriation.

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. I believe that the public interest would not be well served by a complete veto or a broader set of line item vetoes. In addition, given the legislature's unconstitutional delay in delivering the bills and the timing problems which have ensued, I am unable to exercise my Constitutional authority to let the Act, net of my line item vetoes, go into law without my signature.

While I am compelled to accept the bulk of the Act, I cannot agree to all of it. Specifically, I have line item vetoed the following items of appropriation for the reasons outlined below:

A. Agency Lump Sum Reductions. Senate Bill 1188 makes lump sum reductions for several important agencies. These agencies have already suffered significant across the board reductions over the last two years and are simply not in a position to sustain additional reductions without compromising their missions. Further, the lack of willingness to implement the full and complete compromise agreed to by my office, the Speaker of the House and the Senate President leaves me no option but to strike some of these reductions. While I recognize reductions are in order, the magnitude of what has been sent to me, absent some counterbalancing measures, is an unacceptable hit to critical agencies. I remain open to further negotiations.

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1. Page 45, lines 18-32 (Dept. of Economic Security lump sum reduction)
2. Page 53, lines 29-40 (Dept. of Environmental Quality lump sum reduction)
   Page 54, lines 1-13 (DEQ continued)
3. Page 68, lines 36-43 (Dept. of Health Services lump sum reduction)
   Page 69, lines 1-6 (DHS continued)
4. Page 102, lines 16-18 (ASU – Main Campus lump sum reduction)
5. Page 103, lines 17-19 (ASU – East Campus lump sum reduction)
6. Page 104, lines 19-21 (ASU West Campus lump sum reduction)
7. Page 105, lines 22-24 (NAU lump sum reduction)
8. Page 106, lines 28-29 (U of A lump sum reduction)
9. Page 107, lines 11-12 (U of A Health Sciences Center lump sum reduction)
   Page 107, lines 20-21 (U of A totals)
10. Page 108, lines 1-18 (University lump sum reduction and lump sum reduction deferral)

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

1. Page 127, lines 26-43 Arizona Board of Regents and Arizona Community Colleges
2. Page 128, lines 1-43
   a. lines 1-6, continuation of B.1. above
   b. lines 7-19, K-12 education
   c. lines 20-43 Higher education
3. Page 129, lines 1-13 continuation from B.2.c. above

C. 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 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 46, lines 31-43 Formula Programs
2. Page 47, line 15 Additional State Aid
   Page 47, line 17 Other State Aid
   Page 47, lines 18-21 Total and Fund Source lines

D. VLT Transfer. I am vetoing the transfer of $76,783,600 in VLT monies to the State General Fund which is being done instead of the normal distribution to the State Highway Fund.

1. Page 125, lines 11-17

Sincerely,

Janice K. Brewer
Governor

cc: The Honorable Kirk Adams
The Honorable John Kavanagh
The Honorable Russell Pearce