



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

October 29, 2009

Michigan Senate
State Capitol
Lansing, MI 48909-7536

Ladies and Gentlemen:

I have signed Enrolled Senate Bill 248, which authorizes expenditures by the Department of Human Services (DHS) for the fiscal year ending September 30, 2010. I however, have disapproved several items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

This bill appropriates over \$6 billion in total funding, representing a large increase over fiscal year 2009, largely because of 100% federally funded food assistance benefits made possible by the American Recovery and Reinvestment Act of 2009. However, programs supported by the state's general fund, including local office field staffing, child welfare improvements, child day care, juvenile justice, and employment and training programs have all been drastically reduced from my executive recommendation to meet legislatively-negotiated targets with which I did not agree.

These general fund reductions create a potential shortfall in state maintenance of effort and match requirements for critical federal block grants that fund child day care services and basic assistance for low-income families. I am concerned about the impacts on vulnerable citizens in the face of these shortfalls. In addition, a number of program enhancements and spending increases have been added to this budget that do not reflect the balance needed to help Michigan families move toward self-sufficiency and to ensure the well-being of children.

I have disapproved the following proposed appropriations as they are ancillary to the core mission and objectives of the Department and cannot be supported in these fiscally challenging times: sections 286, 299, 523(2), and 1104.

I have disapproved the following proposed appropriations that earmark funding for special projects that cannot be funded while other core programs are drastically reduced: sections 295, 312, 415, 416, 423(3), 587, 613(2), 657, 676, 754, and 908.

I have also disapproved three line items for non-essential projects: day care services grants and contracts, family group decision-making, and communities in schools. These projects cannot be maintained while other, more critical programming in the department is reduced.

I have disapproved the proposed appropriations in Sections 288, 573 and 581 for increased provider payments as they cannot be sustained given our challenging fiscal situation.

The following drafting errors of a technical nature are disapproved: sections 1201, 1202, 1203, and 1204. Funding for these items is duplicative as other funding is contained elsewhere in the budget.

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

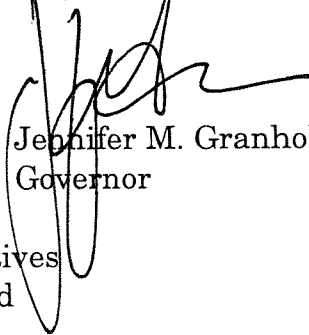
- Sections 546(4) and 547(2) attempt to amend the following state statutes without republication by requiring the state to assume a 75 percent cost share for foster care services: The Social Welfare Act and the Probate Code of 1939. (MCL 712a.25). To the degree that these sections conflict with existing state law they violate Section 25 of Article IV of the Michigan Constitution of 1963 and are unenforceable. The Department of Human Services to continue with the statutorily mandated 50 percent/50 percent cost sharing arrangement.
- Section 753 of the bill includes a statement 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.
- Section 290 expresses legislative intent and is not binding on the Department. However, administrative savings for these proposed reductions in central administration and field staff have been reflected in appropriations made in Sections 102, 103, 109, and 110 of the bill. The Legislatures attempt to direct the Department to eliminate specific offices and positions is an infringement on the Executive's prerogative to organize state operations to meet the needs and policy priorities of Michigan's citizens and faithfully execute. This provision also represents an unwarranted attack on the hard-working civil servants in the positions identified and does not meet the values of integrity, excellence, and inclusion I have established for conduct in the Executive Branch.

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Finally, I am concerned about the lack of funding to maintain operations at the Nokomis Challenge Center and community juvenile justice centers. These facilities were funded for only one quarter of the fiscal year and no funding was included to provide alternative placements for the youth currently served by these programs. I believe these facilities are critical in providing necessary, specialized substance abuse treatment and transition services for youth offenders, and as presented, this budget fails to adequately address the needs of these youth under state care.

I appreciate the effort it has taken to create this budget, even though I disagree with certain provisions. Thank you for presenting me with this budget.

Respectfully,

A handwritten signature in black ink, appearing to read "Jennifer M. Granholm", is written over the printed name and title.

Jennifer M. Granholm
Governor

cc: Michigan House of Representatives
The Honorable Terri Lynn Land