



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JOHN D. CHERRY, JR.
LT. GOVERNOR

October 11, 2010

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

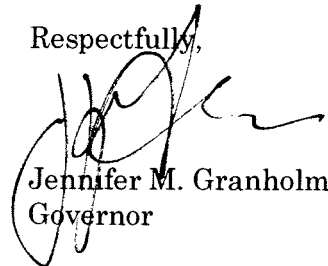
Ladies and Gentlemen:

Today I have signed Enrolled House Bill 5872, a bill authorizing the expenditure of Michigan's share of the federal Education Jobs Fund recently approved by the United States Congress and President Obama in Public Law 111-226. While I have signed the bill, I have disapproved Subsection (2) of the bill pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific item veto is detailed in the attached copy of the bill, which has been filed with the Secretary of State.

I have exercised my item veto authority because Subsection (2) would allocate federal funds in a manner inconsistent with the requirements of Public Law 111-226. Under the federal law, funds received by a state must be distributed: (1) through a state's primary funding formula; or (2) based upon local schools' relative shares of funds under Title I of the federal Elementary and Secondary Education Act of 1965. Subsection (2) of Enrolled House Bill 5872 does neither. The United States Department of Education has indicated that this allocation is inconsistent with the requirements of Public Law 111-226 and with the application for Education Jobs Fund filed by the state of Michigan, in which the state indicated that funds would be distributed based on its primary funding formula. Failure to comply with the requirements of Public Law 111-226 likely will result in a federal audit and recoupment of funds by the federal government.

While I have disapproved Subsection (2) of Enrolled House Bill 5872, I look forward to working with the Legislature on enactment of a new appropriation for Michigan schools that allocates funds using Michigan's primary funding formula rather than attempting to restore prior reductions in education funding in a manner that is prohibited by federal law. If we work together, we can ensure that all schools receive their fair share of this federal assistance.

Respectfully,



Jennifer M. Granholm
Governor

c: Michigan Senate