

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 1994.

May 26, 1994

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House
Annapolis, Maryland 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 463.

Senate Bill 463 is entitled "The Budget Reconciliation Act of the 1994 Session of the General Assembly." The legislation would mandate the following budget appropriations, budget transfers and dedications of unexpended general funds: (1) requires the Governor to appropriate funds each year to a newly created Women, Infants and Children (WIC) Contingency Reserve Fund; (2) establishes an Unfunded Liabilities Account in the State Reserve Fund; (3) reduces the prior transfer of funds from the Law Enforcement and Correctional Training Fund by \$2.5 million; (4) transfers \$250,000 from the Maryland Legal Services Corporation to the Office of Public Defender; (5) requires certain unexpended general fund revenues to be appropriated for the WIC Program, medical services for the disabled, and certain services of the Office for Children, Youth and Families; (6) requires the Governor to include an appropriation in the fiscal year 1996 budget to the Revenue Stabilization Account equal to any unappropriated general fund surplus at the end of fiscal year 1995; (7) authorizes ~~the~~ transfer of \$1.38 million recovered by the Maryland Deposit Insurance Corporation to the Department of Budget and Fiscal Planning to replace a budget cut for the Financial Management Information System; (8) mandates future appropriations to fund State employee health insurance costs; (9) authorizes the transfer of \$4.8 million from the Peabody Institute Fund for Aid to Non-Public Institutions of Higher Education to replace a budget cut; (10) alters the computation of the community college aid formula for fiscal year 1996 to account for the "equity adjustment" enacted in fiscal year 1995; and (11) establishes a State Employee and Retiree Health Insurance Program Trust Fund.

It is no exaggeration to state that the only thing Senate Bill 463 has in common with prior Budget Reconciliation Acts is its name. The Budget Reconciliation Acts of the 1991, 1992 and 1993 Sessions were all enacted for the same purpose: to balance the State budget in times of fiscal crisis. Senate Bill 463, on the other hand, is nothing more than a colossal mandated funding bill, unrelated to the balancing of any budget. I am vetoing this legislation because it represents an unjustifiable intrusion on the Executive's budget powers.

In the late 1980s, after years of brisk economic expansion, Maryland's economy fell into recession. The economic downturn caused a decline in State revenues and a corresponding increase in demand for public assistance and other social services. As a result, the State experienced a fiscal crisis and the fiscal year 1991 and 1992 budgets were