

thrown out of balance. For fiscal year 1991, the State's fiscal shortfall totaled \$678 million. As part of the budget balancing plan, my Administration introduced House Bill 206 (The Budget Reconciliation Act) during the 1991 Session. This legislation transferred \$246 million from special fund accounts to the general fund for fiscal year 1991. In addition, the Act transferred \$43 million to the general fund for fiscal year 1992.

As the State's fiscal crises worsened, the fiscal year 1992 budget again fell out of balance. During the 1992 Session, my Administration introduced House Bill 458 (The Second Budget Reconciliation Act for Fiscal Year 1992). This legislation transferred \$95.5 million from special fund accounts to the general fund and reduced State aid to counties by \$54 million in order to bring the budget back into balance. As revenue projections worsened, it became necessary to introduce Senate Bill 644 (The Budget Reconciliation Act for Fiscal Year 1993) to address shortfalls in the fiscal year 1993 budget. This legislation transferred \$50.7 million to the general fund for fiscal year 1993.

By late 1992, the State's economy was still not in recovery. During the 1993 Session, it once again became necessary to take steps to bring the fiscal year 1993 and 1994 budgets into balance. My Administration introduced House Bill 419 (The Budget Reconciliation Act of the 1993 Session of the General Assembly) to address this problem. The legislation transferred funds from various special fund accounts to the general fund for fiscal year 1993. Additionally, the bill increased the general fund share of transfer tax revenues and made other transfers to bring the fiscal year 1994 budget into balance.

Since the 1993 Session, the State's economic outlook has brightened considerably. The State is experiencing a moderate growth in revenues and for the first time since 1990, State employees will receive a cost-of-living increase. At the start of the 1994 Legislative Session, the fiscal year 1994 budget was in balance. I submitted a budget for fiscal year 1995 that was, and will remain in balance without the need for any special fund transfers. In short, the fiscal crisis that dominated the early 1990s is over.

Unlike its predecessors, Senate Bill 463 is not a budget management tool used by the Governor and the General Assembly to bring the State's budget into balance in times of fiscal crisis. The bill contains no transfers of special funds to the general fund to offset projected revenue shortfalls. It contains not a single provision necessary to bring the fiscal year 1994 or 1995 budgets into balance. Rather, Senate Bill 463 is a guise to circumvent the Constitutional powers of the Governor to propose and maintain a balanced budget. The bill restricts the use of unexpended general funds and prevents the Governor from recycling these funds in subsequent fiscal years. It mandates that the Governor include certain appropriations in the budget, reducing the availability of funds for Executive priorities. Furthermore, it authorizes the transfer of funds to replace dubious budget cuts made in the fiscal year 1995 budget.

In summary, I am vetoing Senate Bill 463 because it significantly erodes the Governor's budgetary powers and the executive budget system established by the Constitution. It is my sincere hope that the next Governor, faced with a similar Budget Reconciliation Act, will do the same.

For these reasons, I have vetoed Senate Bill 463.