

(b) A member of the Board appointed by the Governor may not serve for more than two consecutive [5 year] 5-YEAR terms.

SECTION 2. AND BE IT FURTHER ENACTED, That the Permanent Nominating Caucus in existence in Harford County on the effective date of this Act shall be deemed to be the Permanent Nominating Caucus established under this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That the provisions of § 3-111.1 of the Education Article, as enacted by Section 1 of this Act, shall apply to any appointments made after January 1, 1996.

SECTION 3. 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1994.

May 26, 1994

The Honorable Casper R. Taylor, Jr.
Speaker of the House of Delegates
State House
Annapolis, Maryland 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 1618.

House Bill 1618 would require the Governor to provide funding, in the annual budget bill, for the unfunded liability for the workers' compensation program for State employees. The bill would establish a continuing, nonlapsing Workers' Compensation Trust Fund to retain all of the appropriated monies and interest earnings. The bill would further require the Department of Budget and Fiscal Planning to submit a report to the Legislative Policy Committee on the State's risk management activities by December 1, 1994.

House Bill 1618 would mandate increased general fund expenditures of \$5 million in fiscal years 1996 and 1997, \$7 million in fiscal years 1998 and 1999, and incremental increases each year through fiscal year 2004, when a \$15 million payment is required. While the Administration supports providing funds for the unfunded liability, all State expenditures must be considered in context with all other expenditures of the State. The proliferation of statutory mandates on State spending erodes the ability of the Executive to establish spending priorities and develop a budget that reflects those priorities. Such mandates also limit the ability of the Governor to respond to fiscal crises in times of economic distress.

The Fiscal Year 1994 budget submitted to the General Assembly included funding to reduce this liability. However, the General Assembly did not consider this a priority and cut the allotted funding. In vetoing this bill, I am not negating the importance of the State meeting this financial obligation, but am recognizing the importance of not tying the hands of the future executive with additional spending mandates.

For these reasons, I have vetoed House Bill 1618. I am, however, asking that the Management Analysis Unit of the Department of Budget and Fiscal Planning proceed with