

July 15, 2003

The Honorable Michael S. Baer  
Secretary of the Senate  
State Capitol  
Baton Rouge, LA 70804

Re: Senate Bill No. 556 by Senator McPherson  
PUBLIC CONTRACTS: Requires legislative approval of cooperative endeavor agreements

Dear Mr. Baer:

Senate Bill No. 556 is intended to achieve a good purpose; that is, to increase the scrutiny given to major cooperative endeavor agreements entered into by the state. Because I generally support that goal, I signed Senate Bill No. 591 into law (Act 224). The latter bill requires approval by the Bond Commission for any cooperative endeavor agreements in which state funds are used, directly or indirectly, as security for any bond issues.

Senate Bill No. 556 would require prior approval by a legislative committee of every cooperative endeavor agreement, including one with a wholly private individual or entity, if the agreement either exceeds one million dollars or the project is not included in the capital outlay budget. As passed, the measure causes me concern.

Given that cooperative endeavor agreements are often used by state universities to supplement public funding, requiring legislative committee approval of a private donation even before execution of the cooperative endeavor agreement would present legal, as well as practical difficulties, and could impinge upon the rights of private parties, thereby diminishing the availability of private funds to support public purposes. In times of fiscal restraint on public entities, I am concerned that this additional limitation would have unintended and profound adverse effects.

Additionally, the actual language of Senate Bill No. 556 reaches so far that it would disrupt many of the minor and routine activities of state government by imposing unnecessary delays. By its own terms, the bill expressly includes every cooperative endeavor agreement entered into by any state agency, regardless of the amount at issue, if the project is not included in the capital outlay budget. Thus, an agreement for \$500 would be subject to the same oversight and approval requirements as one for millions of dollars.

For these reasons I have vetoed Senate Bill No. 556 and am returning it to the Senate.

Sincerely,

M.J. "Mike" Foster, Jr.