

June 30, 2009

Mr. Alfred W. Speer
Clerk of the House of Representatives
State Capitol
Baton Rouge, LA 70802

Mr. Glenn Koepf
Secretary of the Senate
State Capitol
Baton Rouge, LA 70802

Re: House Bill No. 881 by Representative Fannin
Supplemental Appropriations Bill for FY 2008-2009

Dear Gentlemen:

As authorized by Article III, Section 18(B), and more particularly, Article IV, Section 5(G)(1) of the Constitution of Louisiana, I have exercised the authority of my office to veto fifty-three (53) items or provisions of the Supplemental Appropriations Bill for Fiscal Year 2008-2009. I respectfully request that you deliver on my behalf the following message to the members of the Legislature:

Just as families and businesses do in response to challenging financial times, we took steps to make sure that government lives within its means, passing a state budget for the upcoming fiscal year that tightens the belt of state government while also protecting critical services.

Prior to House concurrence with the Senate-passed House Bill No. 1, we informed House leaders that we would veto everything in the bill contingent upon funding from the Insure Louisiana Incentive Program Fund, from the Budget Stabilization fund, and from delaying planned tax relief. The House did not approve the latter, and because the funding tied to all three sources was interdependent and could not be separated, it was vetoed.

Then, working closely with the Legislature, we took steps through House Bill No. 881 to mitigate reductions to higher education and healthcare and to give us an opportunity to prepare for continuing budget challenges in the years ahead.

Appropriations bills passed by the legislature and signed into law, including House Bill No. 881, restore a total of \$118.1 million in state funds to higher education, bringing higher education's total reduction in state funding to 6.78 percent, not including tuition increases. Factoring in tuition increases, the reduction is 4.63 percent; when including total funding for higher education, the reduction falls to only 2 percent. Also including restricted funding, the reduction to higher education in this budget totals 1.29 percent.

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The final FY 10 budget for the Department of Health and Hospitals, including restorations made in House Bill No. 881, totals more than \$7.93 billion, not including a one-time special Medicaid payment of \$212.8 million authorized by House Bill No. 879 to hospitals for uncompensated care and hurricane related losses. Overall, including the restorations to health care, the FY 10 budget represents a 2.94 percent decrease from the previous fiscal year.

After restorations made in House Bill No. 881, the final appropriation for the Medicaid private provider program for FY 10 is \$4.2 billion. This is a \$179 million or 4 percent decrease from the previous year. Again, this does not include the special one-time payment of \$212.8 million to hospitals. When these one-time hospital payments are included, the net Medicaid private provider program expenditures will increase by 0.75 percent.

Additionally, House Bill No. 1 contains increases for four provider categories:

- Federal Qualified Health Centers - \$3.4 million (federally mandated increases)
- Rural health clinics - \$11.1 million
- Pharmacy benefits - \$17.8 million
- Supports Waiver - \$1.2 million

House Bill No. 881 provides for further increases beyond House Bill No. 1 for the Supports Waiver program of \$437,384 and \$7.72 million dollars to cover the uncompensated care costs for public and private rural health clinics and hospitals.

Additionally, with House Bill No. 881 and Senate Bill No. 247, DHH will be permitted to rebase nursing home rates utilizing non-state general fund dollars from the Elderly Trust Fund – thereby providing an additional \$102.8 million for nursing homes that provide care for more than 25,000 of Louisiana's elderly. This rate rebasing will offset House Bill No. 1 nursing home reductions of \$67.3 million, and the net nursing home expenditure will increase by \$35.5 million without utilizing state general fund dollars.

House Bill No. 881 also contains \$129.6 million of additional restorations, which are divided among twenty-four private provider categories.

My item vetoes for House Bill No. 881 are as follows:

For Fiscal Year 2008-2009:

VETO MESSAGE NO. 1
Page 2, Lines 39-42:

The funding for this amendment does not exist, pursuant to Section 10.D.(1) and 10.D.(2) of the preamble of Act 19 of the 2008 Regular Session; therefore, I am vetoing it.

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VETO MESSAGE NO. 2

Page 2, Lines 43-46:

The funding for this amendment does not exist, pursuant to Section 10.D.(1) and 10.D.(2) of the preamble of Act 19 of the 2008 Regular Session; therefore, I am vetoing it.

VETO MESSAGE NO. 3

Page 3, Lines 24-26:

The funding for this amendment does not exist, pursuant to Section 10.D.(1) and 10.D.(2) of the preamble of Act 19 of the 2008 Regular Session; therefore, I am vetoing it.

VETO MESSAGE NO. 4

Page 3, Lines 27-29:

The funding for this amendment does not exist, pursuant to Section 10.D.(1) and 10.D.(2) of the preamble of Act 19 of the 2008 Regular Session; therefore, I am vetoing it.

VETO MESSAGE NO. 5

Page 17, Lines 9 through 11:

The funding for this amendment does not exist, pursuant to Section 10.D.(1) and 10.D.(2) of the preamble of Act 19 of the 2008 Regular Session; therefore, I am vetoing it.

VETO MESSAGE NO. 6

Page 22, lines 8 through 12:

The funding for this amendment does not exist, pursuant to Section 10.D.(1) and 10.D.(2) of the preamble of Act 19 of the 2008 Regular Session; therefore, I am vetoing it.

VETO MESSAGE NO. 7

Page 22, Lines 13 through 17:

The funding for this amendment does not exist, pursuant to Section 10.D.(1) and 10.D.(2) of the preamble of Act 19 of the 2008 Regular Session; therefore, I am vetoing it.

VETO MESSAGE NO. 8

Page 22, Lines 18 through 22:

The funding for this amendment does not exist, pursuant to Section 10.D.(1) and 10.D.(2) of the preamble of Act 19 of the 2008 Regular Session; therefore, I am vetoing it.

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For Fiscal Year 2009-2010:

VETO MESSAGE NO. 9

Page 25, Lines 18-20:

This is not affiliated with the Office of Elderly Affairs; therefore, I am vetoing this item.

VETO MESSAGE NO. 10

Page 27, Lines 19-21:

This did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 11

Page 27, Lines 32-35:

The agency does not have sufficient undesignated revenue available for this appropriation; therefore, I am vetoing this item.

VETO MESSAGE NO. 12

Page 28, Lines 17 through 20:

This did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 13

Page 28, Lines 21 through 23:

This did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 14

Page 28, Lines 24 through 28:

Department of Treasury has sufficient funding to absorb this appropriation if it is a priority. Therefore, I am vetoing this item.

VETO MESSAGE NO. 15

Page 28, Lines 29 through 35:

This item is funded in Act 10 of the 2009 Regular Legislative Session and is a duplicate appropriation; therefore, I am vetoing this item.

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VETO MESSAGE NO. 16

Page 29, lines 26 through 28:

This project should be funded from other sources; therefore, I am vetoing this item.

VETO MESSAGE NO. 17

Page 29, Lines 29 through 33:

This language amendment does not provide additional funding, but instead, is an unfunded mandate. Therefore, I am vetoing this item.

VETO MESSAGE NO. 18

Page 29, Lines 42 through 44:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 19

Page 30, Lines 18-19:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 20

Page 30, Lines 40 through 42:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 21

Page 31, Lines 4 through 6:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 22

Page 32, Lines 5 through 9:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 23

Page 38, Lines 20 through 32:

The cost of operating the inpatient services at the New Orleans Adolescent Hospital (NOAH) is \$20 million. These amendments appropriate \$14,241,399 of funding and authorized positions for the operations of NOAH leaving a \$5.8 million shortfall which would require unacceptable cuts to mental health services in the New Orleans area. In addition, these amendments do not appropriate

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new funds, but only shift funds from Southeast Louisiana Hospital (SELH) in Mandeville and from other outpatient mental health services in Mental Health Area "A", therefore requiring additional cuts to these inpatient and outpatient programs. According to DHH, NOAH operates at twice the daily cost as other state inpatient facilities. The Department of Health & Hospitals has developed a plan to consolidate the operations of NOAH and SELH which produces \$9.1 million of savings, requires no reduction in outpatient or inpatient services for the region, and provides for community based outpatient mental health services in New Orleans. Therefore I am vetoing this item.

VETO MESSAGE NO. 24

Page 38, Lines 42 through 44:

This item restricts the agency's ability to maximize efficiencies and cost savings. Therefore, I am vetoing this item.

VETO MESSAGE NO. 25

Page 40, Lines 28 through 34:

Act 10 of the 2009 Regular Session contains \$175,000 of funding for this purpose. Based on current revenue projections, there will be insufficient funds to provide an additional \$175,000 appropriation for this purpose. Therefore, I am vetoing this item.

VETO MESSAGE NO. 26

Page 41, Lines 1 through 7:

Department of Wildlife and Fisheries has sufficient funding to absorb this appropriation if it is a priority. Therefore, I am vetoing this item.

VETO MESSAGE NO. 27

Page 43, Lines 14-18:

This item should be funded through higher education formula funding. Therefore, I am vetoing this item.

VETO MESSAGE NO. 28

Page 45, lines 12 through 14:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 29

Page 45, lines 19 through 23:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

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VETO MESSAGE NO. 30

Page 45, lines 24 through 27:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 31

Page 46, Lines 15 through 16:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 32

Page 46, Lines 17 through 19:

This project should be funded through other sources; therefore, I am vetoing this item.

VETO MESSAGE NO. 33

Page 50, Lines 16 through 17:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 34

Page 50, Lines 18 through 20:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 35

Page 50, Lines 24 through 26:

These savings will be applied to ensure a balanced budget. Therefore, I am vetoing this item.

VETO MESSAGE NO. 36

Page 51, Lines 21 through 25:

This project should be funded from other sources. Therefore, I am vetoing this item.

VETO MESSAGE NO. 37

Page 52, Lines 4 through 5:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

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VETO MESSAGE NO. 38

Page 52, Lines 6 through 7:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 39

Page 52, Lines 16 through 17:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 40

Page 53, Lines 1 through 4:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 41

Page 53, Lines 5 through 8:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 42

Page 53, Lines 9 through 11:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 43

Page 53, Lines 31 through 32:

These savings will be applied to ensure a balanced budget. Therefore, I am vetoing this item.

VETO MESSAGE NO. 44

Page 54, Lines 1 through 2:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 45

Page 56, Lines 4 through 7:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

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VETO MESSAGE NO. 46

Page 57, Lines 10 through 11:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 47

Page 62, Lines 23 through 24:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 48

Page 62, Lines 40 through 41:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 49

Page 62, Lines 42 through 43:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 50

Page 64, Lines 14 through 15:

This project should be funded from other sources; therefore, I am vetoing this item.

VETO MESSAGE NO. 51

Page 66, Lines 1 through 2:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 52

Page 66, Lines 3 through 4:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

VETO MESSAGE NO. 53

Page 67, Lines 35 through 36:

This item did not meet our NGO criteria; therefore, I am vetoing this item.

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Enclosed is a copy of the pages of House Bill No. 881 reflecting the vetoed items referenced herein.

Sincerely yours,

Bobby Jindal
Governor

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