

August 12, 2005

To the Honorable Members of the
Illinois House of Representatives
94th General Assembly

Pursuant to Article IV, Section 9(e) of the Illinois Constitution of 1970, I hereby return House Bill 3272 entitled "AN ACT concerning finance," with the following specific recommendations for change:

On page 1, line 31, delete the words, "the Teacher Health"

On page 1, line 32, delete the following, "Insurance Security Fund."

On page 1, line 24, insert after "July 1, 2003," the following: "In fiscal year 2006 only, prior to calculating the July 1, 2005 final balances, the Governor may calculate and direct the State Treasurer with the Comptroller to transfer additional amounts determined by applying the formula in Subsections (a) (i) and (a) (ii), above to the fund balances on July 1, 2004."

I strongly believe in protecting the solvency of the Teachers' Retirement Insurance Program and providing health insurance to our retired teachers. I signed legislation, PA 92-505, which established a new methodology to ensure sufficient funding for our retired teachers' health benefits. However, we should not further restrain the Office of Management and Budget from applying charge backs when appropriate. These charge backs recognize the valuable financial management services that the State provides to these funds. On the contrary, we should provide the Office of Management and Budget more flexibility in determining the value of these services. Therefore, this amendatory veto will allow us to revisit the charge back calculations for fiscal year 2005 in accordance with the statutory formula. With these changes, House Bill 3272 will have my approval. I respectfully request your concurrence.

Sincerely,

ROD R. BLAGOJEVICH

Governor