

July 10, 2009

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

Re: Senate Bill No. 26 by Senator N. Gautreaux

Dear Mr. Koepp:

The State of Louisiana continues to face budget challenges for fiscal years 2011 and 2012. Lower revenues to state government and rising mandated state costs, such as the reduction in the federal Medicaid match beginning in fiscal year 2011, create a severe \$1.9 billion projected budget shortfall in two years. As has been widely reported, in times of declining revenues, healthcare and higher education resources are the most vulnerable because they comprise about three quarters of the unprotected discretionary General Fund portion of the budget. While I have signed into law many of the tax credit bills sent to me by the Legislature, the cumulative impact of all the tax credit bills passed during this session could cause the budget to be out of balance and thus require additional reductions in funding, e.g., for priorities like higher education and health care.

Senate Bill No. 26 carries an annual fiscal note of \$500,000. Given the multi-year budget challenges facing the state, I have vetoed Senate Bill No. 26 and hereby return it to the Senate.

Sincerely,

Bobby Jindal  
Governor

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