



**STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
20301 MAIL SERVICE CENTER • RALEIGH, NC 27699-0301**

BEVERLY EAVES PERDUE
GOVERNOR

June 29, 2012

GOVERNOR'S OBJECTIONS AND VETO MESSAGE

House Bill 950, "An Act to Modify the Current Operations and Capital Improvements Appropriations Act of 2011 and for Other Purposes."

North Carolina needs a budget that moves our state forward and that is focused on investing in our future. Budgets are about values, priorities, and choices. Last week, the General Assembly delivered to me a budget that left too many of North Carolina's needs unmet—too many priorities unaddressed.

First and foremost, their budget does not invest enough resources in education. Investing in schools is among the most important things a state must do in order to prepare our children for the future, and to send a powerful economic message that we have a well-educated, well-trained workforce and this is a state where 21st century companies should invest.

Last year, the Republican-controlled General Assembly forced deep and unnecessary cuts to education. After those cuts, schools across North Carolina cut 915 teachers, more than 2,000 teacher assistants, and nearly 5,000 total education positions.

It should have been clear to everyone that we needed to do better this year -- that we needed to reverse those harmful cuts. Not only are we failing to do better, but under this budget, things would actually get worse. If the budget they passed becomes law, schools across North Carolina would get about \$190 million less next year than they got this year.

In addition, their budget fails to provide additional funding to increase access for Smart Start or NC Pre-K, our nationally recognized early childhood education programs that help assure that young children come to school prepared to succeed.

This isn't good enough. It fails to do an adequate job in what is now -- and what has always been -- North Carolina's top priority: preparing our children so they can have more opportunity than we had.

While schools would get \$190 million less next year than they got this year, the General Assembly did include small raises for teachers and state employees.

I know that teachers and state employees are long overdue for a pay increase, and I support a pay increase. In fact, I included raises in my budget proposal that were 50% larger than the ones in this budget.

But under this budget, while some teachers and other employees will get raises, there is no question that some educators and other state employees will lose their jobs because of the choices the General Assembly made in this budget. Raises for some and layoffs for others is not the right direction for North Carolina.



The flaws in this budget extend beyond the legislature's failure to invest sufficient resources in schools:

- They failed to invest in jobs proposals, like (i) the initiative to provide a credit to encourage small businesses to hire post-9/11 veterans and unemployed North Carolinians, and (ii) plans to boost our surging film and biotech industries.
- They failed to invest in proposals to support our servicemen and women and military families, like the plan to provide tuition assistance to military veterans and their dependents.
- They failed to invest in public safety, like proposals to fund more probation officers to oversee known criminals.
- And they failed to invest in other priorities, like mental health, and efforts to effectively continue the state's successful efforts to curb teen smoking.

Finally, they ignored the bipartisan attempt to compensate verified living victims of the state's forced sterilization program that happened just a generation ago.

At the same time that they left all of these needs unmet, their budget also gives tax breaks to millionaires. I am not against giving tax relief to small businesses. On the contrary, I'm strongly for it. Last year, I recommended cutting the corporate income tax, which would have given tax relief to businesses across North Carolina.

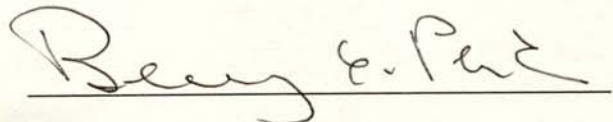
But budgets are about North Carolina's priorities and our view of the future. And I simply don't believe that the General Assembly should give tax breaks to lawyers, lobbyists, and other millionaires while leaving so many critical needs unmet.

Despite all of the flaws in the budget, and all of the priorities it fails to address, I understand that we have a divided government. I was willing and determined to reach a bipartisan compromise. After I reviewed the budget I reached out to Speaker Tillis and President Pro Tem Berger and tried repeatedly to forge a consensus.

I told them clearly that I would allow the budget to become law if they would just improve the investment in our children's future and in other critical priorities. I didn't ask them to meet me halfway, I didn't ask them to "split the difference." I just asked them to do a little better and invest a little more in our children's future and in some other key priorities. Unfortunately, they rejected my efforts and essentially told me to "take it or leave it."

With all of the budget's unmet needs, with all of its misplaced priorities, and with the Republican legislative leaders' unwillingness to make even the slightest move towards compromise, I feel as though I have no choice but to veto this budget.

Therefore, I veto this bill.



Beverly Eaves Perdue

This bill having been vetoed is returned to the Clerk of the North Carolina House of Representatives on this 29th day of June 2012, at ~~2:11pm~~ for reconsideration by that body.

RECEIVED FROM GOVERNOR

Denise Weeks