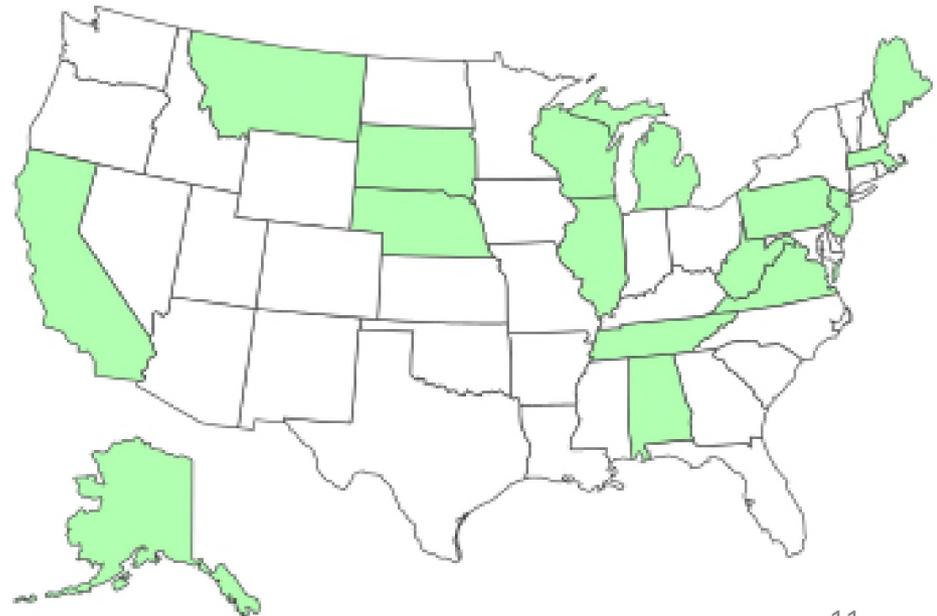


The Reduction Veto



- Proposed Constitutional amendment to help rein-in spending
 - Ends the “all or nothing” approach to vetoes
 - Gives Governors the ability to suggest a reasonable and responsible alternative
 - Leaves final decision-making in the legislature’s hands
 - 16 states have some form of it today

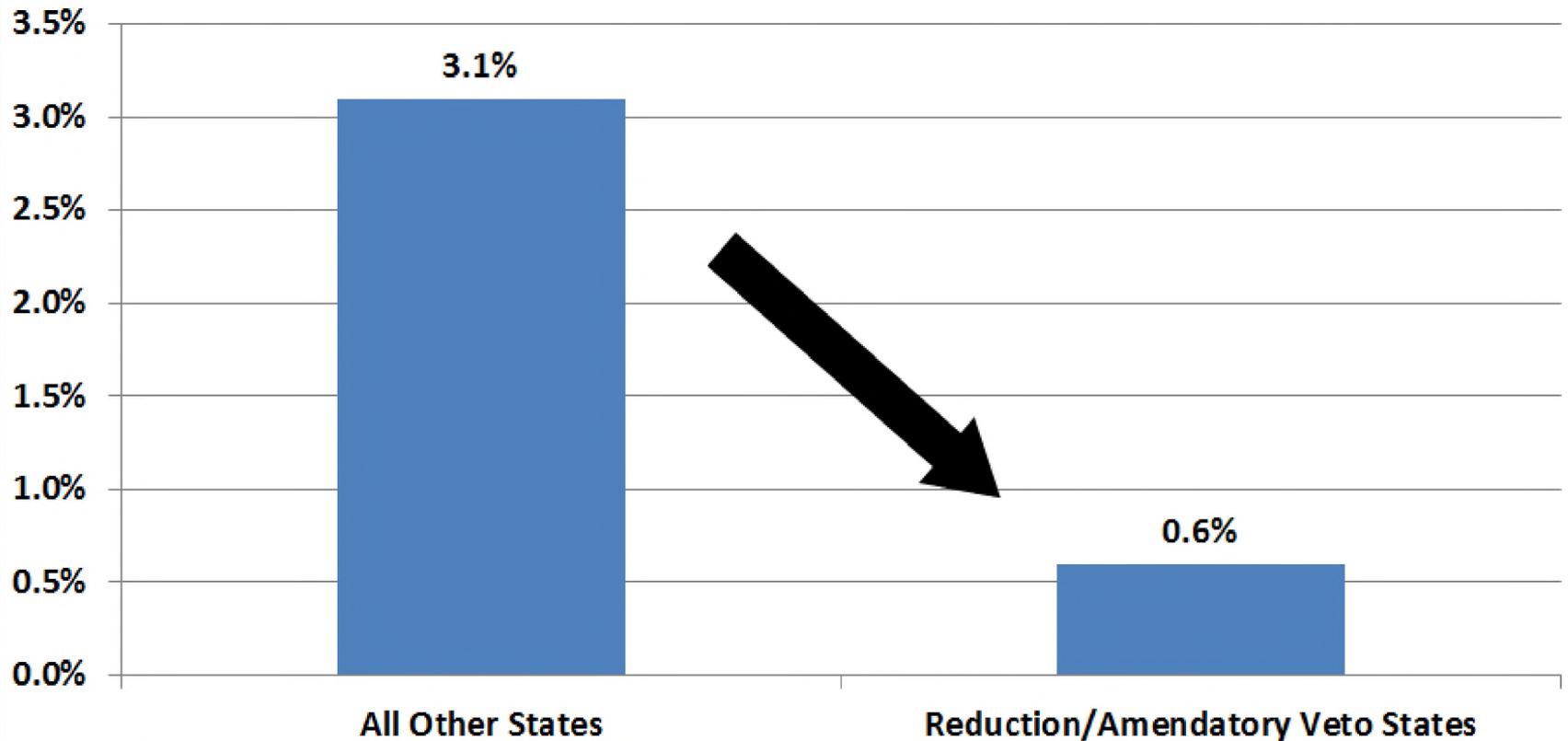


Impact of the “Blue Line” Veto



The Effect of the Reduction Veto

Average Annual Per-Capita General Fund Growth Rates in the 2000s



Source: State Budget Solutions, "State Budgets in the 2000s: Debunking the Myths"