

THE GOVERNOR

Notice of Veto

October 27, 2006

*To the Honorable, the House of Representatives
of the Commonwealth of Pennsylvania*

I am returning House Bill 1813 without my approval.

I am vetoing this bill because, without regard for fluctuations in state revenues or growth in other, mandated obligations, the legislation establishes an annual increase in the obligation of state funds for reimbursement to mental health and mental retardation providers. Enactment of this bill will increase state expenditures by \$75 million in the first year and cumulatively by \$1.2 billion over five years. None of this funding is included in our current budget projections.

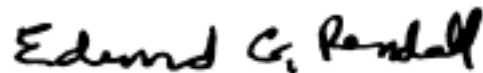
The providers impacted by House Bill 1813 have received a 2% cost of living increase in their grants in each of the last three years, resulting in an actual increase in the level of these grants of 6.1% since July 1, 2004. The annual 2% cost of living increase is entirely consistent with the annual increase level paid to these providers in the second term of the Ridge/Schweiker Administration.

Overall, between the base funding increase and increase in funds to enable the expansion of services, providers of mental health and mental retardation services have received a 19.24% increase in funding—\$338 million in new funds—since July 1, 2003. These funding increases have enabled providers to remove almost 3,000 individuals from the waiting lists. In spite of these improvements, I remain concerned that waiting lists for these critical services persist, and I believe a more substantial increase in the grants is warranted. In the coming year, if our revenues and other expenditure demands permit us to increase the reimbursement rate more than 2% next year, I will propose doing so.

I am entirely sympathetic to the plight of these providers and very much value the extraordinary work they do. But, I do find it perplexing that so many members of the legislature who advocated for the passage of legislation imposing annual caps on state spending voted for this automatic five year growth in state expenditures of more than \$1 billion in the middle of the fiscal year.

I have proven over the past four years that the commonwealth can be fiscally responsible, maintain a balanced budget, and still make steady progress toward meeting the needs of the most vulnerable Pennsylvanians. I have, in the past, and will continue, in the future, to provide additional funding for vital human services. But, I have consistently enforced a “pay as you go policy” when it comes to the state budget—expenditure increases must not be legislated on an ad-hoc basis during the fiscal year. I will not sign legislation that either significantly increases spending or reduces revenue without a specific plan to pay for it. Such legislation should be passed in the disciplined context of building our annual comprehensive balanced budget.

For these reasons I must withhold my signature for House Bill 1813. I reiterate that I remain hopeful we can achieve progress toward this goal in our next budget.



Governor

[Pa.B. Doc. No. 06-2191. Filed for public inspection November 9, 2006, 9:00 a.m.]

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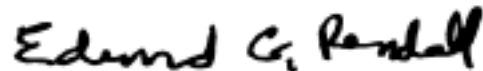
I am returning, without my approval, House Bill 2545, which amends certain provisions of the parking authorities' law primarily relating to the regulation of taxicabs and limousines in cities of the first class.

One of the most troubling aspects of the bill is the provision that allows the Philadelphia Parking Authority to depart from the standard administrative law practice of setting forth clear and understandable reasons why a particular decision, following a hearing to contest the Authority's action with respect to the rights or obligations of a taxicab or limousine owner, was made. The grounds upon which a taxicab or limousine owner may appeal a decision are limited, so how is the owner supposed to know if he or she has grounds for an appeal if the Authority's hearing officer doesn't have to include his or her reasons in the decision? Because such a decision could involve taking away an owner's right to make a living, this seems to be patently unfair and bordering on a violation of due process for the taxicab or limousine owner. At the very least, it will mean that everyone who receives an unfavorable decision will automatically have to file an appeal—and, most likely, spend some amount of money to hire a lawyer to do so—even before they know whether they have any chance of being successful.

Moreover, the bill is fraught with provisions that are confusing and seem not to serve the interests of the Parking Authority or the citizens it was created to serve. For example, the bill exempts limousines and taxicabs that operate in Philadelphia, but are "based outside" of the city from the oversight of the Authority. Besides the fact that the bill does not define what being "based outside" of the city means, it seems that this gives suburban taxicab and limousine services a distinct advantage over those that are located in the city for no apparent good reason. It also may induce companies that are already located in Philadelphia to move out of the city, which obviously is not good for the city's overall economy. In addition, House Bill 2545 exempts all parking authorities from compliance with the most important provisions of the Commonwealth Procurement Code—those relating to the openness with which contracts must be bid and awarded. This can only result in the loss of faith by the public in the integrity of these authorities.

Finally, the bill exempts wheelchair accessible taxicabs from the prohibition in the current statute that a taxicab cannot be more than eight years old. There does not seem to be a good reason for this exemption.

For all of these reasons, I must withhold my approval from House Bill 2545.



Governor

[Pa.B. Doc. No. 06-2192. Filed for public inspection November 9, 2006, 9:00 a.m.]