THE GOVERNOR

Notice of Veto

July 2, 2015

To the Honorable Senate of the Commonwealth of Pennsylvania:

I am returning herewith, without my approval, Senate Bill 655, Printer's Number 1137.

This bill amends the Fiscal Code to implement the General Appropriations bill for the 2015-2016 fiscal year. As I vetoed the General Appropriations bill, I will also veto its implementation.

This bill is one part of a budget that is not in the interest of this Commonwealth.

This legislation falls short of a budget plan that I can endorse for a number of reasons. It fails to adequately pay our bills. It relies on over \$1.5 billion in one-time revenues, payment delays into the next fiscal year, and fund transfers. It is not part of a balanced budget plan, and it will lead to a \$3 billion deficit and credit downgrades for the Commonwealth.

The General Appropriations bill, upon which this bill is based, only provides an additional \$8 million in basic and special education funding for our public schools, which is clearly not adequate funding to ensure Pennsylvanians have schools that teach our students. This approach simply does not provide sufficient funding to meet our constitutional requirement to provide a thorough and efficient system of education for our children.

For these reasons, I cannot support this bill and withhold my signature from Senate Bill 655, Printer's Number 1137.

Sincerely,

Governor

[Pa.B. Doc. No. 15-1305. Filed for public inspection July 17, 2015, 9:00 a.m.]

Notice of Veto

July 2, 2015

To the Honorable House of Representatives of the Commonwealth of Pennsylvania:

I am returning herewith, without my approval, House Bill 466, Printer's Number 1985.

The citizens of Pennsylvania sent us here to do serious work and to address the problems facing this Commonwealth. This legislation falls short of a responsible means to reform our state liquor system and to maximize revenues to benefit our citizens. It makes bad business sense for the Commonwealth and consumers to sell off an asset, especially before maximizing its value.

During consideration of this legislation, it became abundantly clear that this plan would result in higher prices for consumers. In the most recent case of another state that pursued the outright privatization of liquor sales, consumers saw higher prices and less selection.

Modernization of our state liquor system would provide additional revenues to the Commonwealth and save important, family-sustaining jobs. The Commonwealth relies on this revenue stream that could be dramatically improved through modernization. While this bill recognizes that new revenues for education are important, there are many more responsible options available other than selling off a valuable asset of the Commonwealth.

For the foregoing reasons, I must withhold my signature from House Bill 466, Printer's Number 1985.

Sincerely,

Governor

[Pa.B. Doc. No. 15-1306. Filed for public inspection July 17, 2015, 9:00 a.m.]

Notice of Veto

July 2, 2015

To the Honorable House of Representatives of the Commonwealth of Pennsylvania:

I am returning herewith, without my approval, House Bill 762, Printer's Number 1999.

This bill is the school code bill, which implements aspects of the General Appropriations bill for the 2015-2016 fiscal year. As I vetoed the General Appropriations bill, I will also veto this implementation of it.

This bill contains many laudable items that I support. It provides for a Basic Education Funding Commission formula, which for the first time in recent years allows for student-focused funding that takes into account poverty, English Language Learning, size and concentration of the school district, and enrollment trends, as well as revamping the way the wealth of each district is determined under statute.

Unfortunately, this bill fails to restore the funding from the harmful education cuts imposed on each school district over the last four years, nor does it provide adequate resources to ensure Pennsylvanians have schools that teach our children. This bill only distributes an additional \$8 million into K-12 education, which is not appropriate classroom support for the children of this Commonwealth. In short, it fails to meet our constitutionally required obligation of providing a thorough and efficient system of education.

For the foregoing reasons, I must withhold my signature from House Bill 762, Printers Number 1999.

Sincerely,

I am Wolf

Governor

[Pa.B. Doc. No. 15-1307. Filed for public inspection July 17, 2015, 9:00 a.m.]

Notice of Veto

July 9, 2015

To the Honorable Senate of the Commonwealth of Pennsylvania:

I am returning herewith, without my approval, Senate Bill 1, Printer's Number 1132.

This legislation provides no immediate cost savings to taxpayers and does not maximize long-term savings for taxpayers. We need pension reform that works.

The plan I delivered to the General Assembly would save at least \$10 billion, while at the same time ensuring that the Commonwealth will make all actuarially required contributions to fund our future pension obligations and reducing the burden placed on the Commonwealth and school districts in the short term. Since my budget proposal, I have found and shared an added \$7 billion in savings for a total of \$17 billion in savings to our retirement systems, which I have communicated to the General Assembly. Furthermore, the plan I proposed would reduce the over \$700 million in fees paid annually to Wall Street firms to manage our investments. Senate Bill 1 does not address these excessive fees.

During my consideration of Senate Bill 1, it became clear that the legislation violates federal tax law as it would be considered an impermissible cash or deferred arrangement (CODA). In addition, the bill forces newly-hired employees to pay down the unfunded liability of existing pension plans, caused by years of government failure to make necessary payments, while denying those new employees the full benefit of their contributions.

For the foregoing reasons, I must withhold my signature from Senate Bill 1, Printer's Number 1132.

Sincerely

Tan Wolf

Governor

 $[Pa.B.\ Doc.\ No.\ 15\text{-}1308.\ Filed\ for\ public\ inspection\ July\ 17,\ 2015,\ 9\text{:}00\ a.m.]$