

Veto No. 8

SB 1542

June 28, 1976

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

I return herewith, without my approval, Senate Bill No. 1542, Printer's No. 2068, entitled "An act relating to the fiscal affairs of the Commonwealth concerning duties of the Governor, the Secretary of Revenue and the Budget Secretary, with respect to the submission of and signing the budget for any fiscal year; and, after a budget is enacted, regulating the issuance of warrants by the State Treasurer for certain requisitioned funds and imposing duties on persons authorized by law to issue requisitions for the payment of moneys from the State Treasury; and prescribing that Federal funds received by the Commonwealth shall be deposited in the General Fund account with certain exceptions."

If the funding principle embodied in Senate Bill No. 1542 were to prevail, it would totally hamstring Pennsylvania's ability to utilize and acquire Federal funds.

It would virtually destroy the flexibility of every level of government in this State to seek out, and then use, Federal money creatively and effectively.

The issue in Senate Bill No. 1542 is not the actual appropriation of Federal funds by the General Assembly. That issue will be resolved only when the General Assembly acts upon a Federal funding bill on a line by line basis.

It is my belief that Federal funds can only be appropriated by the United States Congress and that those funds are earmarked directly for the agencies and programs embodied in Federal legislation and regulations.

I believe strongly that my position will prevail.

But, until it does, Senate Bill No. 1542 would cause havoc in the interim period between its enactment and a final resolution of the Federal funding issue.

Even worse, if my position does not prevail, Senate Bill No. 1542 could cause even greater havoc over the long term if it becomes law.

Members of the General Assembly, on both sides of the aisle, have often urged both State and local governments to accelerate their quest for additional Federal funds.

I am well aware that there is a difference of opinion among professional budget analysts concerning the impact of this bill. Some believe that, if the General Assembly sets up restricted accounts or resorts to other legislative devices, pass through Federal funds could flow to local communities uninterrupted by the strictures of Senate Bill No. 1542.

But it would take many months to set up those accounts by legislation, a costly, tedious and time-consuming process. In the intervening period of time, the very evils which I have described would take effect for all Federal funding, State and local.

If, in the meantime, the General Assembly's viewpoint were to prevail in the courts that they have an absolute right to appropriate Federal funds on a line by line basis — a position I disagree with — there will be no avoiding the fact that, in one way or another, all Federal funds, State and local, which pass through the State Treasury, must be appropriated by the General Assembly if Senate Bill No. 1542 becomes law.

Therefore, the members of the General Assembly should consider very carefully whether they want to be responsible to every local community, school board and governmental agency which will come to them with desperate and legitimate complaints about the failure of Federal funds to flow to their projects.

It will be the grave responsibility of each member of the General Assembly who votes to override this veto, to explain to his or her own people on the local level why the money isn't there.

Indeed, the situation could become so critical that I might have no recourse as a responsible Governor than to call the General Assembly into repeated special sessions to pass every dollar of overlooked or unanticipated Federal money and to set up, one by one, the hundred or so restricted receipt accounts which must be carefully and meticulously drawn up for the sole purpose of getting around Senate Bill No. 1542.

This is the last thing I would want to do.

But I will not sit by and watch Federal funds go elsewhere or get logjammed on their way to our local communities because of the stringent and restrictive features of Senate Bill No. 1542.

I urge the General Assembly to sustain my veto of this bill. Let's not block the mechanism whereby Federal funds continue to flow even if we do disagree on the line by line appropriations bill itself.

There is no member of the General Assembly who wants to spend the summer months explaining why Federal funds are not moving to the local level because of his or her vote.

For these reasons, I am returning, without my signature, Senate Bill No. 1542, and urge the General Assembly to sustain my position in the general public interest.

MILTON J. SHAPP