2 July 2018

The 128th Legislature of the State of Maine
State House
Augusta, ME

Dear Honorable Members of the 128th Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 837, "An Act To Provide Supplemental Appropriations and Allocations for the Operations of State Government."

I previously vetoed Medicaid expansion six times, and I count those six vetoes among the most important acts of my governorship. I believe it was the right thing to do, unless it is sustainably funded into the foreseeable future.

The Medicaid expansions of past administrations were some of the most destructive public policies in modern Maine history, creating hundreds of millions of dollars in hospital debt, crowding out funding for critical budget priorities, regularly creating massive budget shortfalls, hurting the state’s credit rating, creating upward pressure on the state’s tax burden, and perpetuating a culture of dependency that once solidified Maine’s status as a welfare state.

When voters approved the expansion initiative, I disagreed with the wisdom of the decision but have always recognized that it is the law. However, when the ballot question was presented to voters, it did not include any funding mechanism to pay the $50 million annual price tag of expansion, which is only expected to rise in future years. The initiative could have included a funding mechanism—as other initiatives have—but it did not. It was thus understood by voters and the Legislature that further implementing appropriations were necessary to cover the projected state costs.

This funding was left to the ordinary appropriations process, of which the Governor is an important part. After failing to even pass a funding bill during the ordinary legislative session, the special session has produced a hasty, ill-conceived proposal drawing upon two unsustainable budget gimmicks: use of one-time money from the State’s tobacco settlement, and the diversion of part of the current surplus. This is precisely the type of last-minute spending that caused so much trouble in the past.

It is shameful that we are discussing the provision of Medicaid benefits to able bodied, childless adults while failing to identify adequate, sustainable funding to clear existing waitlists for intellectually disabled Mainers. Nonetheless, Medicaid expansion is the law, and the Legislature
needs a sustainable method of funding to cover the hundreds of millions of dollars that will be needed in the coming fiscal year. The people of Maine deserve no less. It can easily be done if the Legislature had the will to do so. Our job should be to protect Maine people, not simply seek re-election votes.

For these reasons, I return LD 837 unsigned and vetoed. I strongly urge the Legislature to sustain it.

Sincerely,

[Signature]

Paul R. LePage
Governor