



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

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VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 303 OF THE
2016 REGULAR SESSION

Governor's Office of Agricultural Policy

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 4, line 10, the word "special";
Page 4, lines 11 through 16 in their entirety;
Page 4, line 17, "livestock." and "special";
Page 4, line 19, "The Board shall not approve an individual grant for an";
Page 4, line 20 in its entirety;
Page 193, line 22, "special";
Page 193, line 23, "These special initiatives shall be limited to those which support regional";
Page 193, lines 24 through 27 in their entirety;
Page 194, line 1 in its entirety;
Page 194, line 2, "livestock." and "special";
Page 194, line 4, "The Board shall not approve and individual grant for an";
Page 194, line 5 in its entirety.

With the Commonwealth facing significant fiscal constraints, agencies must retain maximum administrative flexibility to effectively deploy agency resources.

Military Affairs

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 6, lines 5 through 7 in their entirety.

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Publishing Requirements

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 7, lines 2 through 11 in their entirety;
Page 43, lines 22 through 27 in their entirety;
Page 44, lines 1 through 4 in their entirety.

Local Government Economic Assistance Fund

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 8, lines 11 through 14 in their entirety;
Page 40, line 27 in its entirety;
Page 41, lines 1 through 6 in their entirety.

This budget dedicates an unprecedented amount of coal severance dollars back to the counties where the resource is severed. While this program has benefited a number of school districts in the coal regions, it is time to review its effectiveness and ongoing necessity. The program was initiated during the middle part of the last decade, based upon a concept called "grid computing." In 2016, there are multiple private sector cloud computing options available to provide shared processing resources on demand. Evaluating the program will provide the opportunity to determine if this is a necessary, ongoing investment required of Kentucky's taxpayers.

School Facilities Construction Commission

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 27, line 18, "less than \$1,029,700 nor";
Page 27, line 20, "less than \$9,254,900 nor";
Page 27, line 22, "less than \$12,868,800 nor";
Page 27, line 24, "less than \$13,985,800 nor";
Page 27, line 26, "less than \$10,337,600 nor";
Page 28, line 1, "less than \$18,806,500 nor".

This veto will help ensure tax dollars are expended wisely and only those absolutely necessary will be spent.

Economic Development Cabinet

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 34, lines 12 through 27 in their entirety;

Page 35, lines 1 through 4 in their entirety;

Page 35, lines 12 through 17 in their entirety.

With the Commonwealth facing significant fiscal constraints, agencies must retain maximum administrative flexibility to effectively deploy agency resources.

Department of Education

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 45, line 26, “, but no portion of these funds shall be utilized for state-level”;

Page 45, line 27, “administrative purposes”.

Page 46, line 1, “the ACT and WorkKeys”.

This veto conforms budget language to the provisions of House Bill 15, enacted in the 2016 session of the General Assembly.

Page 46, line 10 in its entirety.

Page 51, line 25, “Notwithstanding 704 KAR 3:410(2), a child”;

Page 51, lines 26 through 27 in their entirety;

Page 52, lines 1 through 5 in their entirety.

Mandated expansion of eligibility, however desirable, is not prudent in tight fiscal times.

Page 57, lines 3 through 7 in their entirety.

Energy and Environment Cabinet

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 60, lines 1 through 6 in their entirety.

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Health and Family Services Cabinet

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 66, line 20, "up to ten";

Page 66, line 21, "percent".

This veto is necessary to provide flexibility to implement budget reductions within the Cabinet.

Page 73, lines 25 through 27 in their entirety;

Page 74, lines 1 through 8 in their entirety;

Page 107, lines 3 through 26 in their entirety.

Provisions of the Affordable Care Act make these provisions duplicative.

Page 75, lines 25 through 26 in their entirety.

ARC of Kentucky is an excellent advocate for disabled and handicapped Kentuckians. While their work should be applauded, non-profits are strongest when they are not dependent upon tax dollars for operations. We encourage ARC of Kentucky to continue to move forward with their passionate advocacy and focus their fundraising efforts on private sector and foundation support.

Page 77, lines 2 through 5 in their entirety;

Page 77, lines 9 through 24 in their entirety.

With the Commonwealth facing significant fiscal constraints, agencies must retain maximum administrative flexibility to effectively deploy agency resources.

Page 79, lines 15 through 17 in their entirety.

Qualifying dually licensed pediatric facilities currently receive supplemental payments from Medicaid. This language requires a duplicative unfunded appropriation from DCBS.

Page 80, lines 2 through 4 in their entirety.

The Cabinet provides a multitude of early intervention services throughout several departments and should have the flexibility to target services where they are most needed.

Justice and Public Safety Cabinet

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 82, lines 15 through 19 in their entirety.

Page 82, line 22, "The Office shall not be relocated or closed during the 2016-";

Page 82, line 23, "2018 fiscal biennium.";

Page 83, lines 5 through 11 in their entirety.

With the Commonwealth facing significant fiscal constraints, agencies must retain maximum administrative flexibility to effectively deploy agency resources.

Page 83, line 14, "The funds shall be distributed";
Page 83, lines 15 through 24 in their entirety.

The Commonwealth is providing general fund support to the Court Appointed Special Advocate (CASA) program for the first time. It is important to ensure the Justice & Public Safety Cabinet has maximum administrative flexibility to establish the program. The budget language is too prescriptive and could potentially hinder effective program implementation.

Page 89, lines 11 through 27 in their entirety;
Page 90, lines 1 through 25 in their entirety.

Attempts have been made in other states to gain approval from CMS for a program along these lines and have been unsuccessful.

Page 91, lines 16 through 27 in their entirety;
Page 92, lines 1 through 5 in their entirety.

The Commonwealth should not limit its options in dealing with any potential state prison population challenges. Furthermore, the administrative discretion to evaluate partnership options with the private sector already exists and, therefore, this language is unnecessary.

Personnel Cabinet

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 95, lines 26 through 27 in their entirety;
Page 96, lines 1 through 27 in their entirety;
Page 97, lines 1 through 16 in their entirety.

Postsecondary Education

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 99, lines 24 through 26 in their entirety;
Page 99, line 27, "If General Fund appropriations are not sufficient to fully";
Page 100, line 1 in its entirety;
Page 100, line 2, "slots out of the Council's base budget."

The veterinary medicine and optometry programs remain funded. However, the General Assembly should appropriate sufficient funds in the future to fully fund the slots dedicated for veterinary medicine and optometry instead of requiring the Council for Post-Secondary Education to make up for shortfalls out of a reduced base budget.

Page 102, line 8, "the first \$5,000,000 in unanticipated";

Page 102, line 9 in its entirety;
Page 102, line 10, "Fund, and" and "above \$5,000,000".

This veto ensures any excess lottery funds are dedicated to education.

Page 102, line 14, "\$9,400,000 in fiscal";
Page 102, line 15, "year 2016-2017 and".

Developing and implementing a properly functioning Work Ready Scholarship program will take a great deal of time and effort. Therefore, the most prudent action is to develop the program for implementation in fiscal year 2017-2018.

Page 103, lines 14 through 27 in their entirety;
Page 104, lines 1 through 4 in their entirety.

This provides Eastern Kentucky University necessary discretion to determine whether funding the Community Operations Board is the most efficient utilization of their resources.

Page 106, line 4, "located in";
Page 106, line 5, "Covington, Kentucky";
Page 106, line 6, "to be used in Covington, Kentucky".

Northern Kentucky University should retain the flexibility to invest where there is the greatest need.

Tourism, Arts and Heritage Cabinet

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 116, lines 4 through 9 in their entirety.

General Provisions

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 171, line 17, "shall";
Page 171, line 18, "conform to KRS 48.610 and" and "pursuant to KRS 48.605 and this Act";
Page 171, line 25, "Compliance with the";
Page 171, lines 26 through 27 in their entirety;
Page 172, line 25, "of Appropriations" and "any";
Page 172, line 26, "appropriation in" and "as to the purpose or manner for which the appropriation may be";
Page 172, line 27, "expended";
Page 177, line 1, "up to ten percent of";
Page 177, line 21, "appropriations and";
Page 177, line 22, "The Legislative Research Commission shall review";
Page 177, lines 23 through 27 in their entirety.

Funds Transfer

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 184, lines 22 through 26 in their entirety.

Directing these Worker's Compensation benefit funds to the general fund would likely create a program shortfall during the biennium.

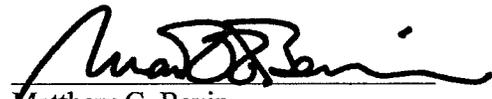
General Fund Budget Reduction Plan

I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 185, line 22, "No budget revision";
Page 185, lines 23 through 24 in their entirety;
Page 186, line 11, "No transfers to the";
Page 186, lines 12 through 21 in their entirety;
Page 186, lines 24 through 26 in their entirety;
Page 187, lines 4 through 8 in their entirety.

With the Commonwealth facing significant fiscal constraints, it is vitally important that the Executive Branch retain maximum flexibility to manage any potential budget reductions over the biennium.

This the 27th day of April, 2016


Matthew G. Bevin
Governor