

COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

Andy Beshear
GOVERNOR

Kentucky State Office Building
501 High Street
Frankfort, Kentucky 40601
Phone: (502) 564-2611
Fax: (502) 564-2517

VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 500 OF THE 2026 REGULAR SESSION

Unfunded Mandate

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 3, lines 12 through 13, in their entirety.

I am vetoing this part because it would require the Kentucky Office of Homeland Security to provide security services to schools without appropriating the necessary funding to do so. The Kentucky Supreme Court is clear that an agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Limits on Responding to Natural Disasters

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following parts:

Page 6, line 27, after "fiscal year.", delete "In the event that".

Page 7, line 2, after "situations", delete the rest of the line.

Page 7, line 3, delete "fiscal biennium".

Page 7, line 9, delete "up to \$25,000,000 in each fiscal year".

I am vetoing these parts that would place limits on the financial resources necessary to respond to natural disasters and other exigent circumstances, preventing timely life-saving actions, as well as necessary food, shelter, medical assistance, debris removal, infrastructure repair, and other disaster response actions. These provisions could delay response time, inflict unnecessary suffering and cost lives. When disaster strikes, Kentuckians rely on the quick, life-saving actions taken by our Division of Emergency Management, Kentucky National Guard, and local first responders. The legislature also offers no explanation for the new limitation. Past uses of this appropriation authority have not been questioned or determined to be inappropriate.

Kentucky Commission on Women

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 7, lines 25 through 27, in their entirety.

Page 8, lines 1 through 2, in their entirety.

In this budget, the General Assembly is requiring the use of state tax dollars to put up road signage for the “Charlie Kirk Memorial Highway,” but did not appropriate funds for the Kentucky Commission on Women. Established in 1970, the Commission has been left without the necessary resources to carry out the statutory duties that it performs on behalf of approximately half of Kentucky’s population. The prior lack of appropriations was purportedly to provide additional funding for other programs, which is not the case in the 2026-2028 biennial budget.

Single County Coal Severance Projects

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 11, lines 5 through 11, in their entirety.

I am vetoing this part that would require projects allocated to a county to first obtain the concurrence of the state senator(s) and state representative(s) of that county. Under Kentucky’s Constitution, state senators and representatives do not have the authority to approve an Executive Branch action when the General Assembly is not in session and does not exist.

Unfunded Mandate

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 16, lines 20 through 21, in their entirety.

I am vetoing this part because it requires the Attorney General to carry out data privacy protections in statute with no appropriated funding. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Unfunded Council

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 20, lines 5 through 7, in their entirety.

I am vetoing this part because it prohibits money in the Kentucky Small Farm Wineries Support Fund from being used by the Kentucky Grape and Wine Council. It is another example of a group the General Assembly has created in statute without appropriating the necessary funds.

Audit Services Contracts

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 22, lines 17 through 22, in their entirety.

I am vetoing this provision that prohibits state agencies from obtaining the best price for audit services by giving the Auditor of Public Accounts an extra 15 days to decide whether she can perform the audit instead. Current law allows agencies and boards to seek out auditors that are specially trained and qualified in their related fields and contract ahead of time for costs.

Ombudsman Office - Funding Shift to the Cabinet for Health and Family Services

I, Andy Beshear, 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 23, line 4, delete "\$18,292,400".

I am vetoing this provision because it eliminated \$2,250,000 in funding from the General Fund for the Office of the Ombudsman within the Auditor of Public Accounts, then shifted the cost to the Cabinet for Health and Family Services without providing the additional funding needed to satisfy this provision.

Unconstitutional Role of Treasurer in Audit Billing Objections

I, Andy Beshear, 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 23, line 26, after "Cabinet", delete "and to the State Treasurer".

Page 24, line 4, after "Cabinet", delete "and to the State Treasurer".

Page 24, line 8, after "Cabinet", delete "and to the State Treasurer".

These lines violate the Kentucky Constitution by requiring the State Treasurer to be part of the decision-making process in state agency objections to the Auditor of Public Accounts' bill for an audit, examination, investigation or other action. The Secretary of the Finance and Administration Cabinet is chief financial officer of the Commonwealth and the proper officer to determine the appropriateness of expenditures to be paid within the Executive Branch. In three different cases, Kentucky courts have ruled unconstitutional laws that gave the State Treasurer approval authority over Executive Branch functions of agencies under the Governor's supervision. Like those void laws, this part is unconstitutional.

School Board Audits

I, Andy Beshear, 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 24, delete lines 11 through 15, in their entirety.

I am vetoing this part because it would give school boards no control over the cost of audits, which by itself would not pass an audit. That would contradict the Auditor of Public Accounts' statements in reports that an agency has not instituted sufficient cost controls. School boards already have strict audit requirements that are overseen by the Kentucky Department of Education. This provision mandates a duplicative and unnecessary expense on school boards, in a budget bill that provides no raises for our public school teachers and employees.

Payment of Judgments

I, Andy Beshear, 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 35, line 17, after "shall", delete "not".

Page 35, line 17, after "expense.", delete "Notwithstanding".

Page 35, lines 18 through 20, in their entirety.

Page 35, line 21, delete "otherwise paid pursuant to KRS 45A.270(2)."

I am vetoing this part because the Commonwealth should pay its bills on time, like our families do. This provision would have the Commonwealth ignore valid judgments that would violate federal and state court orders. In the event that a large federal or state court judgment is issued against the Commonwealth, the appropriation would be insufficient; thus, this veto is necessary to ensure that such a judgment could be paid.

Unfunded Mandate

I, Andy Beshear, 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 39, delete lines 4 through 6, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Unfunded Mandate

I, Andy Beshear, 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 39, delete lines 7 through 9, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Unfunded Mandate

I, Andy Beshear, 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 39, lines 10 through 12, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Star Academy

I, Andy Beshear, 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 47, line 15, delete "Charter".

I am vetoing this part because it is inaccurate. The Star Academy program is an accelerated

program within public schools that aims to advance middle school students. It has nothing to do with charter schools. In fact, the program shows that our existing public schools can accomplish anything done in a charter school, if they are provided the same level of funding and flexibility.

Academic Academies

I, Andy Beshear, 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 47, delete lines 26 through 27, in their entirety.

Page 48, delete lines 1 through 4, in their entirety.

I am vetoing this part because since the inception of the first academic academy, public school districts have been permitted to count the students that attend these academies in their average daily attendance, which affects their SEEK formula funding. The school districts have supported having their gifted students attend these academies. In exercising their support of one academy, school districts provide staffing, transportation, and meals. This part would be a disincentive to providing that additional support.

Unfunded Mandate

I, Andy Beshear, 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 50, delete lines 15 through 16, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Unfunded Mandate

I, Andy Beshear, 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, delete lines 13 through 14, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii,

Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Unfunded Mandate

I, Andy Beshear, 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, delete lines 15 through 16, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Unfunded Mandate

I, Andy Beshear, 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 62, delete lines 13 through 14, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Unfunded Mandate

I, Andy Beshear, 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 62, delete lines 15 through 17, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Limits on Forest Fire Suppression Response

I, Andy Beshear, 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 63, line 6, after “paid”, delete “, up to \$4,000,000 in”.

Page 63, line 7, delete “each fiscal year,”.

I am vetoing this part because it would impose a limit on the expenses of forest fire suppression. Limiting the financial resources necessary to fight forest fires is inexplicable and could possibly lead to greater loss of life and property. The Department of Natural Resources, which is the Commonwealth's fire-fighting management agency, cannot know when its initial funding may be exhausted. Forest fire suppression occurs until the fire is controlled. But under this budget it would only be until the money runs out. It is the height of irresponsibility for a state government to halt firefighting to await an appropriation from the legislature, regardless of whether it is in session or must be called into a special session.

Unfunded Mandate

I, Andy Beshear, 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 64, delete lines 7 through 9, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Unfunded Mandate

I, Andy Beshear, 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 64, delete lines 10 through 12, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Capitol Annex Renovation

I, Andy Beshear, 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, lines 21 through 24, in their entirety.

I am vetoing this part because the legislature does not manage the Commonwealth's state capital construction program, including when it is not in session and does not exist. That is an Executive Branch function specifically assigned by statute to the Finance and Administration Cabinet's Department for Facilities and Support Services. The Cabinet works with all state agencies in addressing their needs through capital construction projects. This partial veto does not change that process, which will continue to operate as it has for decades.

Use of Statewide Aerial Mapping System

I, Andy Beshear, 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 69, lines 12 through 19, in their entirety.

I am vetoing this part because the data needed by Property Valuation Administrators for property valuation purposes is different than that provided from the KyFromAbove program, including different standards, imagery size, timing and workflow.

Unfunded Mandate

I, Andy Beshear, 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 70, line 27, in its entirety.

Page 71, line 1, in its entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Medicaid Managed Care Organization Payments

I, Andy Beshear, 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 76, line 27, in its entirety.

Page 77, lines 1 through 4, in their entirety.

I am vetoing this part because implementing a Medicaid benefits budget that contains a shortfall of \$2.8 billion over a two-year period will require significant programmatic changes. This part eliminates one of the available levers to control costs that has been used in the past to prevent even worse reductions in services, coverage, and reimbursements to providers.

Medicaid Service Reductions

I, Andy Beshear, 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 77, delete lines 5 through 7, in their entirety.

I am vetoing this part because implementing a Medicaid benefits budget that contains a shortfall of \$2.8 billion over a two-year period will require significant reductions to the program. This provision gives priority to a set of services only because they were contained in a state statute. Many Medicaid covered services are not set forth in state statute. This provision fails to acknowledge that and would result in less optimal reduction decisions.

Unfunded Mandate

I, Andy Beshear, 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 77, delete lines 8 through 9, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Unfunded Mandate

I, Andy Beshear, 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 77, delete lines 10 through 12, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Unfunded Mandate

I, Andy Beshear, 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 77, delete lines 13 through 15, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Medicaid Managed Care Organization Payments Reduction

I, Andy Beshear, 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 77, delete lines 16 through 24, in their entirety.

I am vetoing this part because it violates federal rules that require capitation rates to reflect reasonable, appropriate and attainable costs for the covered populations and benefits. The rates must be certified by an actuary and approved by the federal Centers for Medicare and Medicaid Services. An actuary would not be able to certify that the capitation rates are actuarially sound based upon an arbitrarily mandated rate reduction.

Medicaid Dental Services Reimbursement Rebasing Efforts

I, Andy Beshear, 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 79, line 1, after “year to support”, delete “an increase in”.

I am vetoing this part because implementing a Medicaid benefits budget that contains a shortfall of \$2.8 billion over a two-year period will require significant reductions to the program. Although members of the General Assembly have stated that the Medicaid program needs to do

more to control costs, this part would increase costs even though for a worthy medical service, and it finances an increase in reimbursement rates with one-time, nonrecurring funds.

Reporting

I, Andy Beshear, 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 83, line 18, after “services.”, delete the rest of the line.

Page 83, line 19, in its entirety.

I am vetoing this part because in House Bill 500 the General Assembly included excessive reporting requirements for the Executive Branch to submit approximately 200 reports to the Legislative Branch over the next biennium, adding more red tape. This is in addition to approximately 520 reports that are required of Executive Branch agencies through existing statutes. To contend with budget cuts of up to 7% in the next two years, the amount of time and effort compiling, preparing and finalizing reports to the legislative branch is excessive and runs counter to the cost controls that will be necessary to operate over the next two years.

Unfunded Mandate

I, Andy Beshear, 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 87, delete lines 20 through 21, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Unfunded Mandate

I, Andy Beshear, 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 87, delete lines 22 through 23, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii,

Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Relative and Fictive Kin Caregivers

I, Andy Beshear, 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 87, line 25, after “year”, delete the rest of the line.

Page 87, line 26, in its entirety.

Page 87, delete “provisions of 2024 Ky Acts ch. 85”.

I am vetoing this part because the funding provided is to support payments to relative or fictive kin caregivers for foster children. It is not to provide sufficient funding for the maintenance of effort of a federal program.

Unfunded Mandate

I, Andy Beshear, 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 89, delete lines 16 through 18, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Unfunded Mandate

I, Andy Beshear, 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 89, delete lines 19 through 20, in their entirety.

I am vetoing this part because it would require implementation of statute without providing any appropriation. An agency is under no obligation to carry out an unfunded mandate. In the absence of an appropriation, these unfunded statutes may not be implemented. See Fletcher v. Commonwealth, 163 S.W.3d 852, 865 (Ky. 2005); Planned Parenthood Great Northwest, Hawaii, Alaska, Indiana, and Kentucky, Inc. v. Cameron, 603 F.Supp.3d 501 (W.D. Ky. 2022); Fraternal Order of Police Barkley Lodge #60, Inc. v. Fletcher, 618 F.Supp.2d 712 (E.D. Ky. 2008).

Out of Home Care

I, Andy Beshear, 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 89, line 26, after “grant”, delete the rest of the line.

Page 89, line 27, delete “the fullest extent possible”.

I am vetoing this part because this provision would reduce the amount of assistance payments that could be paid to eligible needy families under the federal Temporary Assistance to Needy Families (TANF) program. Instead, requiring the funds to be used to the fullest extent possible for out of home care payments to foster families. Moreover, the federal Administration for Children and Families advised the Cabinet in 2023 to increase TANF cash assistance and revise eligibility criteria on needy families to ensure compliance with federal TANF requirements and mitigate the risk of potential financial penalties.

Law Enforcement Firing Range

I, Andy Beshear, 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 94, line 15, after “(8)”, delete “Middletown”.

Page 94, line 17, after “2027-2028”, delete “to be paid to the city of Middletown”.

I am vetoing this part because this appropriation to one of Kentucky’s cities to construct a firing range for statewide law enforcement training use is better directed to the Department for Criminal Justice Training (DOCJT), the state agency that provides the most law enforcement training within the Commonwealth. DOCJT would be better suited than an individual city to oversee the construction and operation of statewide law enforcement training assets.

Law Enforcement Driving Track

I, Andy Beshear, 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 94, line 19, after “(9)”, delete “Louisville”.

Page 94, line 20, after “2026-2027”, delete “to be paid to the city of Louisville”.

I am vetoing this part because this appropriation to one of Kentucky’s cities to construct a driving track for statewide law enforcement training use is better directed to the Department for Criminal Justice Training (DOCJT), the state agency that provides the most law enforcement training within the Commonwealth. DOCJT would be better suited than an individual city to oversee the construction and operation of statewide law enforcement training assets.

Reporting

I, Andy Beshear, 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, line 6, after “report”, delete the rest of the line.

Page 95, line 7, delete “quarterly basis”.

I am vetoing this part because in House Bill 500 the General Assembly included excessive reporting requirements for the Executive Branch to submit approximately 200 reports to the Legislative Branch over the next biennium, adding more red tape. This is in addition to approximately 520 reports that are required of Executive Branch agencies through existing statutes. To contend with budget cuts of up to 7% in the next two years, the amount of time and effort compiling, preparing and finalizing reports to the legislative branch is excessive and runs counter to the cost controls that will be necessary to operate in the next two years.

Kentucky State Police

I, Andy Beshear, 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 98, lines 23 through 26, in their entirety.

I am vetoing this part because it mandates a sworn trooper duty assignment metric that is incompatible with the operations of the Kentucky State Police. The execution of this item would be detrimental to many of their specialized police services. The Commissioner of the Kentucky State Police was not consulted about this provision and opposes it. The Commissioner should determine the manpower needs of his agency that best serve the public safety of Kentucky.

Limits on Unexpected Inmate Population Costs

I, Andy Beshear, 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 100, line 21, after “payments”, delete “, up to \$10,000,000”.

Page 100, line 22, delete “in each fiscal year.”.

I am vetoing this part because the Executive Branch does not control the number of inmates who enter the corrections system, but must house them all. The budget assumes an estimate of inmates, but the actual number is beyond our control. The authority to access additional funds has been available for a long time, and this funding has been necessary in 13 of the 18 years from fiscal year 2002 to fiscal year 2019.

Cutting such funding will impact both the Department of Corrections and local jails. Further, with the passage of House Bill 5 in 2024 and House Bill 422 during this session, the analysis shows that the number of inmates will increase, resulting in even higher costs.

Monthly Reporting Requirements

I, Andy Beshear, 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 105, lines 11 through 26, in their entirety.

I am vetoing this part because the Personnel Cabinet already transmits frequent reports on the Kentucky Employees' Health Plan on a monthly and quarterly basis, including detailed claims, financial and enrollment information for the Plan, in addition to committee testimony as requested. Most of the information sought by this part is already provided in those reports, along with publicly available reports and minutes of the monthly Kentucky Group Health Insurance Board meetings. This part would just add more costly red tape.

Capital Project Emergency Account

I, Andy Beshear, 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 135, line 19, after "sufficient," delete the rest of the line.

Page 135, line 20, delete "up to \$2,500,000 of".

I am vetoing this part because it limits the amount that an enterprise-wide capital account may access from the General Fund Surplus or the Budget Reserve Trust Fund. The emergency repair, maintenance, and replacement account is a statutory account used to deal with unexpected building system and equipment breakdowns. This account currently has no funding remaining. The ability to access surplus funds have been used sparingly but have enabled mission-critical repair projects to move forward. The dollar cap imposed by House Bill 500 is very low and will restrain emergency facility and equipment repairs when no other fund sources are available.

Capital Projects

I, Andy Beshear, 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 143, lines 20 through 21, in their entirety.

Page 143, lines 24 through 25, in their entirety.

I am vetoing this part because the Kentucky General Assembly would add \$301 million to an existing \$168 million appropriation, for a total of \$469 million, to renovate the office complex and parking garage used by the legislative branch. In contrast, the General Assembly only

appropriated \$5 million to the Affordable Housing Trust Fund, compared to the \$150 million that I recommended. The General Assembly also failed to include funding to help Kentuckians pay their utility bills, even though I proposed a \$75 million fund to do so. Neither did the legislature provide funding to help keep Kentuckians from going hungry and support our food banks in the face of rising food costs, despite my recommendation of \$50 million toward that effort. Despite overwhelming support from our public school district superintendents and business community, the General Assembly also refused to provide funding for a Pre-K for All program to help our kids get ready for kindergarten and help their parents enter and stay into the workforce.

Statutes in Conflict

I, Andy Beshear, 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 203, line 19, after “Act”, delete “, and any question arising shall be decided by the Attorney General”.

I am vetoing this part because it violates the Kentucky Constitution’s separation of powers. It is partisan and the first time this longstanding provision has included authority for the Attorney General to decide questions about it. As with all state laws, the courts are the final interpreters.

Interpretation of Appropriations

I, Andy Beshear, 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 203, lines 20 through 23, in their entirety.

I am vetoing this part because it violates the Kentucky Constitution’s separation of powers. Since 1982 when KRS 48.500 was enacted, the General Assembly did not provide this authority to the Attorney General until just the last biennial budget. This partisan measure suspends a statute that has worked well, been used sparingly and appropriately assigns this authority with the Commonwealth’s chief financial officer. As with all state laws, the courts are the final interpreters.

Executive Orders

I, Andy Beshear, 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 205, lines 5 through 27, in their entirety.

Page 206, lines 1 through 10, in their entirety.

I am vetoing this part because Executive Orders by their very nature are within the Executive Branch’s authority as set forth in the Kentucky Constitution. The information this part would

require far exceeds anything the Legislative Branch has required under its own procedures during the 2026 Regular Session.

Budget Implementation

I, Andy Beshear, 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 208, line 14, after “directive.”, delete the rest of the line.

Page 208, lines 15 through 26, in their entirety.

I am vetoing this part because the separation of powers under the Kentucky Constitution does not permit the Legislative Branch to charge an Executive Branch agency for costs related to a legislative audit or review, and our Constitution also forbids the legislature from acting when it is not in session and does not exist. The Legislative Branch budget has tens of millions of dollars of excess, unexpended funds available for any such audits or reviews.

Approval of State Aircraft Travel

I, Andy Beshear, 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 210, lines 26 through 27, in their entirety.

Page 211, lines 1 through 8, in their entirety.

I am vetoing this part because it ignores existing state laws and provides the authority to the State Treasurer to approve the use of state aircraft by Cabinet Secretaries or other state officials for out-of-state travel. This responsibility bears no relationship to the important duties of the State Treasurer and is more capably handled by the existing laws. The State Treasurer does not have regular contact with Cabinet Secretaries and does not regularly know their requirements and duties. This provision could also cause a state official, such as the Cabinet for Economic Development Secretary, to violate a non-disclosure agreement. Moreover, this Administration has implemented the most transparent documentation of the use of state aircraft that goes above and beyond the statutory requirements.

Operating Expense Reduction

I, Andy Beshear, 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 211, lines 26 through 27, in their entirety.

Page 212, lines 1 through 27, in their entirety.

Page 213, lines 1 through 27, in their entirety.

Page 214, lines 1 through 6, in their entirety.

I am vetoing this part because this provision presumes that the recitation of the amount of spending in a prior year for specific expenditure categories provided to the Legislature by the Auditor of Public Accounts was first, accurate, and more importantly, reflected the type of spending that was of the lowest priority. Both are not true. Besides the fact that the amount by category does not add up to the stated total, the Auditor included spending that was not real spending or spending that was not a part of the budget, including \$95 million in taxes collected for local governments and distributed back to them. Further, only 36% of the listed spending was from the General Fund, which is the part of the budget that is assuming the most budget cuts in the upcoming biennium. A part-time legislature is not positioned to direct the management of spending for agencies that perform their responsibilities on a daily basis. That is the duty of the management of these agencies that know their programs and services inside and out. The enacted 2026-2028 biennial budget incorporates a budget cut of 4% in the first year and 7% in the second year for many agencies. Arbitrarily selecting a listing of 13 spending categories in an unsubstantiated priority order for reduction is not a valid business approach to accommodating those budget cuts.

The top "priority" category for spending reductions is training of state employees, a necessity for any organization to effectively operate and improve. Reducing staff training is not an approach that any business entity would decide is the first step in spending reductions. The second priority for spending reductions is "temporary manpower services". The agency that spent the most was the Department of Parks providing staffing during the busiest parts of the tourism season to ensure that visitors enjoy their time at our parks and bolstering the local economies in Kentucky's beautiful rural areas. The enacted budget did not spare Parks from the 4% and 7% cuts, and shuttering park services is a likely outcome of that legislative decision. Another top category for recommended spending reductions is labeled, "services not otherwise classified". The agency that spent the most on this last year was Kentucky's Division of Emergency Management for the purpose of responding to and recovering from natural disasters. The Department augments their staffing in a timely way to help Kentuckians with some of the worst moments of their life. Advertising services is another selected category for reductions. The Kentucky legislature enacted a "transient room tax" many years ago for the very purposes of advertising the quality of life and tourism attractions of Kentucky throughout the country and beyond. This funding source is not only the largest part of advertising services spending, but is the intended use of the room tax. These are just a few examples of this first-time requirement imposed by the legislature. There are many other examples of reasonable spending from these 13 categories, including required spending from federal grant programs. The cuts in this budget will already impose a mandatory requirement to contend with less funding. State agencies have learned through past recessions and difficult budgetary times how to reduce spending with the least impact to programs and services. This provision is not a thoughtful approach to reducing spending.

The provision also requires reductions in travel expenses in the last three months of the current fiscal year, automatically assuming that travel expenses for state employees is the lowest priority type of spending. Executive Branch agencies, unlike the Legislative Branch, have already put plans in place to reduce General Fund spending in the current year to address the \$156 million revenue shortfall. That is how the shortfall will be resolved, not by cherry picking one type of spending in the last three months of the fiscal year. For example, the Department for Community Based Services is the state agency that spent the most on their employees' in-state travel last year. This spending is comprised mostly of social service workers performing their daily duties of

protecting children and adults from abuse and neglect. Travel expenses are part and parcel of their operations to keep Kentuckians safe.

Operational Expenditures Data

I, Andy Beshear, 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 214, lines 7 through 27, in their entirety.

Page 215, lines 1 through 13, in their entirety.

I am vetoing this part because this information is already in the possession of the Legislative Branch through the comprehensive set of budget requests submitted every two years as a part of the biennial budget process.

General Fund Budget Reduction Plan

I, Andy Beshear, 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 221, lines 12 through 18, in their entirety.

I am vetoing this part because this provision permits the Executive Branch's elected statewide constitutional officers, other than the Governor and the Lieutenant Governor, to refuse to participate in a General Fund budget reduction plan when there is a revenue shortfall. In the current fiscal year, with an official estimate of a revenue shortfall, the Attorney General, the Auditor of Public Accounts, the Treasurer, and the Commissioner of Agriculture all refused to participate to close a \$156 million revenue shortfall which equates to just one percent of their General Fund budgets; in essence, they are planning to overspend their budget this year.

Certified Child Care Services Report


I, Andy Beshear, 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 230, lines 16 through 22, in their entirety.

I am vetoing this part because the Auditor of Public Accounts does not have the programmatic or policy expertise to study all laws and policies that impact licensed and certified childcare services in the Commonwealth. The Auditor will have to hire temporary employees or contract with outside consultants for expert services, spending up to \$500,000 to complete this review, while at the same time publicly raising concerns over similar government spending and touting the need for more cost controls in state government.

Although I am not vetoing it, House Bill 500 the General Assembly would also restrict people from carrying deadly weapons concealed and open in the buildings where the legislators work but does not place any restrictions on carrying deadly weapons where anyone else in Kentucky works. The legislature does this *after* overriding my veto of a bill that allows 18, 19 and 20 year olds to carry concealed firearms. Now, an 18-year-old can carry a concealed deadly weapon everywhere in Kentucky *except* where the legislators who voted for that law are located.

This, the ^{13th} day of April, 2026.



Andy Beshear
Governor