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:

House Bill 563 of the 2021 Regular Session of the General Assembly in its entirety.

I am vetoing House Bill 563 because it will harm public education in Kentucky by taking money away from public schools. For years, the General Assembly has failed to invest in Kentucky’s public schools. House Bill 563 makes that failure even worse by draining as much as $25 million from public education — a number that may grow over the years.

House Bill 563 establishes private educational institutions called “account granting organizations” (“AGOs”). These unaccountable private organizations will then decide how to spend this public money. Even worse, AGOs are permitted to spend up to 10% of the public funds they receive on their own employee salaries, benefits, and expenses. Whatever funds are left will go to private schools.

House Bill 563 also diverts money away from some of our rural communities that need it most, by permitting public money to flow only to private schools in counties with populations over 90,000 residents. At a time when we should be investing in public education in our rural communities, this bill does the opposite.

Finally, House Bill 563 is unconstitutional. First, by diverting money away from public education to private entities, the General Assembly has violated Section 189 of the Constitution, which prohibits using state funds for sectarian schools. Second, by taking public money from across the state and sending it to private schools in certain communities, the General Assembly has abdicated its obligation under Section 183 of the Constitution “to provide for an efficient system of common schools throughout the State.” House Bill 563 will lead to the same kinds of
funding disparities that the Kentucky Supreme Court held unconstitutional in Rose v. Council for Better Education, 790 S.W.2d 186 (Ky. 1989).

This the 24th day of March, 2021.

[Signature]
Andy Beshear
Governor