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<u>VETO MESSAGE FROM THE</u> <u>GOVERNOR OF THE COMMONWEALTH OF KENTUCKY</u> <u>REGARDING HOUSE BILL 6 OF THE 2024 REGULAR SESSION</u>

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 State Constitution, do hereby veto the following part:

Page 8, line 21, after "annually" delete ", up to \$25,000,000". Page 8, line 27, after "expense" delete "up to \$75,000,000 in fiscal year 2023-2024,". Page 9 line 1, delete "\$50,000,000 in fiscal year 2024-2025, and \$50,000,000 in fiscal year 2025-2026". Page 81, line 19, after "paid", delete ", up to \$4,000,000 in". Page 81 line 20, delete "each fiscal year,".

I am vetoing this part because these first-time limits on the financial resources necessary to respond to natural disasters and other exigent circumstances would prevent timely life-saving actions, as well as necessary shelter, food, medical assistance, debris removal, infrastructure repair, and other disaster response actions. Stopping and delaying disaster response until a special session of the General Assembly can be called, convened, and appropriation action taken, will delay response time, inflict unnecessary suffering, and potentially cost lives. Kentuckians rightfully expect immediate action to respond to their needs. Kentuckians have relied on the quick actions by our Department of Emergency Management, our Kentucky National Guard, and local first responders in responding to disasters. That reliance is well deserved and should not become suspect in the future. Further, no real explanation has been provided for the new limitation. Past uses of this appropriation authority have not been questioned or determined to be inappropriate. Additionally, the limit of \$25,000,000 for disaster response, exigent circumstances, and activating the National Guard is far too low. The Commonwealth has exceeded the \$25 million limit in the last three fiscal years, including the current fiscal year.

A new limit has also been imposed on the expenses of forest fire suppression. Limiting the financial resources necessary to fight forest fires is inexplicable and will possibly lead to greater loss of life and property. How can our Department of Natural Resources, the Commonwealth's fire-fighting management agency, know when its initial funding may be exhausted? Forest fire suppression occurs until the fire is controlled. But under this budget it would 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, whether they are in-session or must be called into a special session.

Had the General Assembly chosen to adopt a "disaster fund" as most states have, and as I have proposed in the past, there would be a separate mechanism to provide financing to address exigent circumstances without requiring a delay to seek additional funding.



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 133, line 26, after ", payments" delete ", up to \$5,000,000". Page 133, line 27, in its entirety. Page 134, line 1, delete "fiscal biennium,".

I am vetoing this part because the Executive branch does not control the number of inmates coming into 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. In 13 of the 18 years from fiscal year 2002 to fiscal year 2019, this authority has been needed. Without such funding, both the Department of Corrections and local jails will be impacted. And with the passage of House Bill 5, all of the analysis shows that the number of inmates will increase resulting in even higher costs.

Limits on Necessary Expenditures

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 46, line 24, after "amounts", delete "up to". Page 46, line 25, delete "\$8,249,700 in each fiscal year".

I am vetoing this part because the funding limit imposed will put at risk payments to attorneys appointed by the court as a Guardian ad Litem to serve the best interests of a child. Guardian ad Litem payments comprise about 70% of spending in this budget unit. The next largest spending area is survivor benefit payments to the spouses and children of a police office, firefighter, emergency medical services worker, or member of the Kentucky National Guard who is killed in the line of duty. The Commonwealth should pay its bills, just like our families do. These attorneys and survivors should be paid timely rather than waiting until the next fiscal year or for the next General Assembly to appropriate more funding.

Capital Project Accounts

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 184, line 18, after "then," delete "up to \$1,000,000 of". Page 184, line 24, delete "up to \$2,500,000 of".

I am vetoing this part because it limits the amount that two enterprise-wide capital accounts may access from the General Fund Surplus or the Budget Reserve Trust Fund for the first time in 16 years. The emergency repair, maintenance, and replacement account and the capital construction and equipment purchase contingency account are statutory accounts used to deal with unexpected building system and equipment breakdowns and capital project construction bids in excess of the amount budgeted. These accounts currently have no funding remaining. The ability to access surplus funds have been used sparingly but have enabled key projects to move forward, such as KCTCS' On-Site Training Center in Glendale, the new Correctional Medical Services Unit, and replacing the broken nurse call system at the Radcliff Veterans Center. The dollar caps imposed by House Bill 6 are very low and will restrain certain necessary capital projects and emergency facility and equipment repairs when no other fund sources are available for those needs.

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 47, line 13, after "shall" delete "not".

I am vetoing this part because the Commonwealth should pay its bills, just like our families do. This provision would have the Commonwealth ignore valid judgments, violating 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 the judgment could be paid.

School Facility Assistance Fund

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 42, line 14, after "Act." delete "The awards are". Page 42, line 15, in its entirety.

I am vetoing this part because it requires approval by the 2025 Session of the General Assembly for the School Facilities Construction Commission to move forward with awarding \$146.7 million for cost overruns for school facility construction projects. These projects are going on right now, and delaying the funding will slow or even halt them. The provision further sets forth very specific eligibility requirements for the School Facilities Construction Commission to allocate the funds. There is no need to delay these projects for another year.

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 60, line 18, after "Academy" delete "charter schools within existing public".

I am vetoing certain language because the Star Academy program is an acceleration program to advance academically behind middle-school students in a "school-within-a-school" environment. It is not a charter school. In fact, it shows our existing public schools can accomplish anything done in a charter if given the same flexibility.

School District Facility Plan Modifications

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, lines 17 through 27, in their entirety. Page 63, lines 1 through 17, in their entirety. I am vetoing this part because this language conflicts with similar language included in House Bill 727, which I have signed, related to the funding, financing, design, construction, renovation, or modification of school facilities.

Coal Mine Reclamation Sites

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 82, lines 11 through 27, in their entirety. Page 83, lines 1 through 27, in their entirety. Page 84, lines 1 through 3, in their entirety.

I am vetoing this part because it is an unfunded mandate that places an impossible burden on the Department for Natural Resources. The requirements will cause substantial permitting, inspection, and reclamation activity delays. To meet the December 1, 2024 deadline would cause existing staff to focus on compiling this report instead of performing their daily, statutory duties. A shift in work activities would also cost the Energy and Environment Cabinet approximately \$3.5 million in lost federal funding since compiling this report would not be an allowable charge to federal grant funding. The massive data collection and collation efforts needed for field inspections, hard copy archive research and database research on over 1,200 bonded permits, over 400 forfeited bond sites and an unknown number of abandoned mine sites cannot feasibly be done by December 1, 2024. The Cabinet already conducts a biennial reclamation bond adequacy study that is required by our mining regulations that will be available approximately July 2024. Additionally, the federal Office of Surface Mining Reclamation and Enforcement is currently conducting a bond forfeiture study on the Kentucky mining program to determine the adequacy of forfeited bonds as it relates to reclamation liability that is expected to be available by the end of calendar year 2024.

Office of Medical Cannabis

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 92, line 26, after "Cannabis.", delete "No funds shall".Page 92, line 27, in its entirety.Page 93, lines 1 through 2, in their entirety.Page 93, line 3, delete "symptoms of disease and conditions.".

I am vetoing this part because the General Assembly already enacted legislation in 2023 that authorizes medical cannabis use in Kentucky under strict guidelines. Attempting to overturn that important legislation by imposing additional conditions through an appropriations bill before its full implementation reverses the important policy position of the Kentucky legislature.

Waivers Wait List Management Assessment

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 104, lines 1 through 25, in their entirety.

I am vetoing this part because it is an unfunded mandate. No additional funding was provided to accomplish this task. The implementation of this assessment will have little to no impact on the existing waiting lists for waiver services. Current enrollment processes do not collect all of the information required by this provision, such as acuity level, level of care, or service needs. To complete this assessment in the few months allotted will require the Cabinet to procure contracted services adding to the unfunded cost.

Children's Services Contractors

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 114, lines 17 through 23, in their entirety.

I am vetoing this part because while the Administration believes in every person's and organization's freedom of religion, public dollars cannot be provided to an organization that focus a particular religion on children without their consent. That would violate the child's religious freedom. For instance, a center cannot be allowed to force a child of the Jewish faith to attend a Christian, Muslim, or Hindu ceremony.

Juvenile Justice Capital Project Design Funds

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 127, line 27, in its entirety Page 128, lines 1 through 3, in their entirety.

I am vetoing this part because this provision puts a June 30, 2024 limit on the use of funds which were appropriated by the 2023 Regular Session of the General Assembly to the Department of Juvenile Justice for capital project design services for security improvements at various juvenile detention center facilities. These design services are for smaller projects and initial stages of larger projects that are funded in this 2024-2026 biennial budget. Contracts for those services have been awarded and designs are underway. Prematurely limiting the time period for which these funds may be used is an interruption of actions necessary to complete the Department's plan to abide by statutory requirements to achieve the safe separation of high-level offenders and low-level offenders within the detention centers.

Correctional Industries Study

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 12, after "Industries.", delete "The Department of Corrections shall prepare a report detailing the cost of".

Page 135, lines 13 through 16, in their entirety.

Page 135, line 17, delete "Committee on Appropriations and Revenue by September 1, 2024.".

I am vetoing this part because it is an unfunded mandate that places a significant burden on Kentucky Correctional Industries to produce a comprehensive feasibility study to terminate or contract out the Correctional Industries function.

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 132, lines 14 through 16, 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 serves the public safety of Kentucky.

Salary Compression 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 143, lines 26 through 27, in their entirety. Page 144, lines 1 through 27, in their entirety. Page 145, lines 1 through 11, in their entirety.

I am vetoing this part because the Personnel Cabinet has provided two separate reports describing the issue of salary and compensation. In both reports it noted that the many years in which state employees received no salary increment was the primary basis for salary compression between newer and more senior employees. In my budget, I proposed a solution to address some of the salary compression issues. The fiscal environment in this budget could have provided the finances to pay for that proposal. Instead, the legislature has asked for another study, delaying this needed investment. The \$1 million in funding for the study would be better spent on addressing salary compression itself.

Kentucky State University-Design Health Sciences Center

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 157, lines 17 through 19, in their entirety.

I am vetoing this part because the design funds in this appropriations bill for the Kentucky State University Design Health Sciences capital project are contingent on approval by the General Assembly, presumably in the 2025 Regular Session. This language is unnecessary because the General Assembly already approved the design project in House Bill 6.

Expiration of Existing Line-Item 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 183, line 21, after "appropriated to", delete "2024-2026 fiscal biennium".

I am vetoing this part because there were several large agency capital maintenance pools funded with cash sources in the 2022-2024 budget that in previous budgets were funded with bonds. The bond funded

maintenance pools do not lapse, their balances continue into the subsequent biennium. Cash funded maintenance pool balances do lapse. This action permits the cash funded maintenance pool balances to continue into the 2024-2026 biennium.

Interim Appropriation Increase Process

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 251, lines 17 through 25, in their entirety.

I am vetoing this part because this provision conflicts with the following provision in this portion of House Bill 6. The latter or subsequent provision is the controlling one.

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 253, lines 12 through 15, in their entirety.

I am vetoing this part because it violates the Kentucky Constitution's separation of powers. This is a purely partisan action. With the exception of the current biennium, since 1982 when KRS 48.500 was enacted, the General Assembly did not provide this authority to the Attorney General. This appropriations Act suspends a statute that has worked well, has 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 254, lines 24 through 27, in their entirety. Page 255, lines 1 through 27, in their entirety. Page 256, line 1, in its 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 requested to be provided by the Executive branch in this provision far exceeds anything the Legislative branch has required under its own procedures during the 2024 Regular Session.

Budget Implementation 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 258, line 19, after "Law.", delete "The Secretary of each Cabinet, the". Page 258, lines 20 through 24, in their entirety. Page 258, line 25, delete "cabinet." I am vetoing this part because it imposes a new burdensome reporting requirement on state agencies about marginal additional spending on existing programs. State agencies already provide numerous reports on their programs and associated spending that are comprehensive in nature, along with many appearances before legislative committees and task force. Separately, in each biennial agency budget request are thousands of pages of information on the expenditure of public funds. This provision would add another 680 individual reports to be prepared and submitted to the Interim Joint Committee on Appropriations and Revenue.

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 261, lines 10 through 19, 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-ofstate 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 or regularly knows their requirements and duties. This provision could also cause a state official such as the Economic Development Cabinet 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.

This, the 9th day of April, 2024.

Governor