



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

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GOVERNOR

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VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 1 OF THE
2022 REGULAR SESSION

Salary Increment for Governor, Lieutenant Governor, Secretary of State, Attorney General, Treasurer, Auditor of Public Accounts, Agriculture Commissioner.

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 2, lines 7 through 12, in their entirety.
Page 18, lines 19 through 21, in their entirety.
Page 22, lines 5 through 7, in their entirety.
Page 24, lines 18 through 20, in their entirety.
Page 26, lines 25 through 27, in their entirety.
Page 27, lines 19 through 21, in their entirety.

I am vetoing these parts because it deviates from the constitutional and statutory construction of how statewide constitutional officers receive annual salary increases.

Drinking Water and Wastewater Infrastructure Regional 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 5, line 13, after "2021." delete the rest of the line.
Page 5, line 14, in its entirety.
Page 5, line 15, delete "reallocated unless by express authority of the General Assembly."

I am vetoing this part because it does not accommodate projects that include cooperative allocations from multiple counties. This was permitted for the \$250 million appropriated in Senate Bill 36 from the 2021 Regular Session. There are needs for regional projects for larger projects like wastewater treatment plants that are located in one county but serve citizens from other counties. This veto does not change the methodology of allocating funds to each county. It allows funds from multiple counties to be used on a project.

Community Development 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 12, line 4, after “for” delete “construction of”.

I am vetoing this part because the project request was for the support of its operations, not the support of construction expenses.

Civil Action Representation

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 21, lines 7 through 17, in their entirety.

I am vetoing this part because this provision permits the Attorney General to bypass the state’s model procurement code to hire private lawyers for a case. This unprecedented authorization provides no guardrails on how much the rate of payments will be, provides for no competition among qualified law firms, and does not ensure accountability with taxpayer dollars. This provision conflicts with the following statutory purposes and policies of the model procurement code in KRS 45A.010: to provide for increased public confidence in the procedures followed in public procurement; to insure the fair and equitable treatment of all persons who deal with the procurement system of the Commonwealth; to provide increased economy in state procurement activities by fostering effective competition; and to provide safeguards for the maintenance of a procurement system of quality and integrity.

Training Incentive 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 21, lines 22 through 24, in their entirety.

Page 140, lines 2 through 4, in their entirety.

Page 140, lines 9 through 11, in their entirety.

Page 142, lines 8 through 10, in their entirety.

I am vetoing these parts because the language provisions contain a technical error. The budgets for these appropriation units contain the funding for a \$300 increase in the training incentive payments for eligible 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 40, line 3, after “shall” delete “not”.

I am vetoing this part because it may cause the Commonwealth to violate federal and state court orders; therefore, also violating the separation of powers in the Kentucky Constitution. 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.

Kentucky Product Development Initiative

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 44, line 12, after “percent.” delete the rest of the line.

Page 44, line 13 in its entirety.

Page 44, line 14, delete “authority of the General Assembly.”

I am vetoing this part because House Bill 745 contains a process for the program to have two rounds of grant awards for the \$100 million in funding allocated across all Kentucky counties and this provision conflicts with that process.

District Administration Expenditure Limitations

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 51, lines 16 through 22, in their entirety.

I am vetoing this part because the metrics used in determining the totality of expenditures incorporated into the Legislative Research Commissions’ report on spending for District Administration Support, School Administration Support, or Business Support are flawed. Those categories may include expenditures that are not administrative in nature but are direct support to classrooms and teachers. The report also does not ensure that district reporting of these expenditures are perfectly uniform.

Residential 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 51, lines 23 through 27, in their entirety.

Page 52, line 1, in its entirety.

I am vetoing this part because these academies are already fully funded within the respective university budgets as mandated programs, with one of the academies receiving a substantial funding increase. Additional funding for these academies was not included in the institutions’ budget requests. This provision also subtracts SEEK funding from other school districts to help finance students at these academies, including students that were not previously attending public schools.

Workforce Development Program Analysis

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 “programs.” delete the rest of the line.

Page 60, line 19, in its entirety.

Page 60, line 20, delete “Kentucky to establish the scope of the study.”

I am vetoing this part because this is special legislation that specifies a particular entity to receive a contract for services instead of following the model procurement code.

Capitol Annex Building Property

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 71, line 13, after "Commission," delete the rest of the line.

Page 71, line 14, in its entirety.

Page 71, line 15, delete "removed shall remain the sole responsibility of the Executive Branch agency that left it".

I am vetoing this part because the legislative branch without consultation with the Executive branch, dictated the removal of Executive Branch agencies from the Capitol Annex building, and after the General Assembly refused to provide for the estimated \$2,000,000 in costs for relocating these agencies, it now, through this provision, declares itself the owner of the furniture, fixtures, and property remaining in those spaces yet illegally determines that any remaining financial obligations on that property stay with the Executive Branch, which is no longer the owner of this property.

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 95, lines 1 through 7, in their entirety.

I am vetoing this part because it would permit the discrimination and persecution of children who are in need of out-of-home care because of their disability, gender identity, sexual orientation, religious beliefs, or many other conditions at a most critical time. This provision conflicts with federal and current state law. It may result in a decrease in available foster placements resulting in the placement of children further away from their home county or in facilities with a level of care that is not appropriate for the child.

Social Service Workers

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 10, after "Worker" delete "I".

Page 95, line 13, after "Service Worker" delete "I", and after "Social Service Worker" delete "I".

I am vetoing this part because there may be instances in the recruitment of additional social service workers that the hiring of Social Service Worker II is warranted. This provision limits the hiring of additional workers to just Social Service Worker I.

Classification and Compensation 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 119, line 15, after "report." delete the rest of the line.

Page 119, lines 16 through 18, in their entirety.

I am vetoing this part because even though the Personnel Cabinet will comply with the report and timeline required in this section, the penalty of reducing its budget by \$2,000,000 each month for not reporting on time is disproportionate and extreme. This \$2,000,000 represents approximately 6% of the Cabinet's total annual budget. This provision is also unconstitutional as there is no authority for the legislative branch to reduce Executive Branch agency appropriations when the General Assembly is not in session. If this drastic move were to be implemented, it would force the Personnel Cabinet to make deep cuts to vital services related to human resources, payroll and health insurance for state employees and would hinder the Cabinet in meeting its statutory obligations.

School Building Plan Reviews and Inspections

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 141, lines 3 through 6, in their entirety.

I am vetoing this part because this provision undercuts both current law and legislation just passed in House Bill 33, where a local government and the Department for Housing, Buildings and Construction must agree in writing for a local government to be responsible for plan review, inspection, and enforcement responsibility over buildings intended for educational purposes, other than licensed day-care centers.

State Parks Improvement

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 146, line 25, after "(c)" delete the rest of the line.

Page 146, line 26, delete "government partners;"

Page 146, line 27, delete "(d)".

I am vetoing this part because it is not reasonable to expect local governments or the private sector to provide matching funds to preserve, repair, and rehabilitate the physical plant of Kentucky's State Parks system. The Department of Parks and the Tourism, Arts and Heritage Cabinet will dutifully prepare the comprehensive statewide proposal called for in the provision so the \$150 million in capital funds appropriated in fiscal year 2023-2024 can be expended. The Department has made a number of efforts in the past to seek private investment in the State Parks with some success in certain areas, but for larger projects there has been little interest from the private sector even when targeted supplemental funds were packaged with the opportunity. The Department continuously updates its capital plans and working with the Finance and Administration Cabinet stays abreast of the building and infrastructure systems at each State Park.

Expenditure of Restricted 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 217, lines 1 through 5, in their entirety.

I am vetoing this part because this provision prohibits any increases in restricted fund appropriations for the Executive Branch until the General Assembly reconvenes and passes appropriation action. It will cause substantial operational and fiscal problems. It suspends a 41-year old statute that recognizes that

the business of state government does not stop when the General Assembly adjourns. This provision would result in halting the work of some state agencies to provide services to Kentucky citizens and businesses, and preventing their ability to adjust to changing circumstances. As evidence of the impact, this provision does not apply to public postsecondary education institutions or the legislative branch. Kentucky state government operates a number of enterprises where the amount of business can exceed budgetary estimates, as with the State Fair Board, State Parks, the Kentucky Horse Parks, the logistical operations center at Bluegrass Station. If the demand for their services is greater than the budget assumes, this provision would halt these important services and functions. The Kentucky State Police receives asset forfeiture funds from the U.S. Department of Justice as restricted funds, but cannot predict the exact amount. This provision would delay the deployment of these resources to assist the supplying of critical equipment. When one of Kentucky's state facilities suffers damage from a fire or a flood, the state's fire and tornado fund provides financing as restricted funds to recover and bring those damaged facilities and equipment back to operation. These circumstances cannot be predicted and this provision would halt the recovery from that damage. There are many dedicated funds that are budgeted as restricted funds such as Heritage Land Conservation funds, equipment loan funds, and local records funds. The recipients of statutorily dedicated uses may be unable to receive funding that the statutes require. The statutory process outlined in KRS 48.630 and its predecessor laws has worked well since the Commonwealth had a budget. It is used judiciously, and has been the subject of legislative oversight in every instance. Few objections have been stated or documented by the Interim Committee on Appropriations and Revenue. The Executive branch conducts business and provides services continuously. Across the country, states with a part-time General Assembly provide for a process that permits adjustments in appropriations for unanticipated needs from these types of funds.

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 218, 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, as for the last 39 years of KRS 48.500, the General Assembly did not provide this authority to the Attorney General. This statute, 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.

Construction of Budget Provisions Regarding Executive Reorganization 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 219, lines 18 through 22, in their entirety.

I am vetoing this part because this is another power grab to reduce the authority of the Executive Branch. The reorganization of state agencies is an executive action; therefore, this provision violates the separation of powers of the Kentucky Constitution.

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 225, 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 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 or regularly knows their requirements and duties. This provision could also cause a state official to violate a non-disclosure agreement. Moreover, this Administration has pledged to implement the most transparent documentation of the use of state aircraft that goes above and beyond the statutory requirements.

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 228, lines 18 through 27, in their entirety.

Page 229, lines 1 through 17, 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 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 2022 Regular Session.

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 236, line 23, after "Governor," delete the rest of the line.

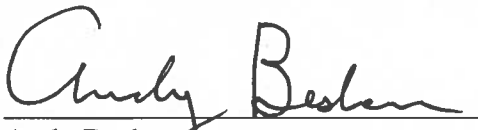
Page 236, line 24, delete "Commissioner of Agriculture, the Auditor of Public Accounts,".

Page 238, line 8, in its entirety.

Page 238, line 9, delete "or the Auditor of Public Accounts, or their offices,".

I am vetoing this part because one provision mandates that statewide constitutional officers other than the Governor shall direct and implement budget reduction actions, and a second provision, at subsection 10, states that their participation in a budget reduction plan shall be at their discretion. Should this line-item veto be overridden, there will be two contradictory provisions relating to balancing the budget of the Commonwealth that cannot be harmonized.

This the 11th day of April, 2022.



Andy Beshear
Governor