



STATE OF WEST VIRGINIA
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EARL RAY TOMBLIN
GOVERNOR

March 19, 2014

The Honorable Natalie E. Tennant
Secretary of State
State of West Virginia
Building 1, Suite 157-K
State Capitol
Charleston, West Virginia 25305

Dear Secretary Tennant:

Due to a decline in projected revenues and a long-projected increase in the state match required for Medicaid expenses, this year's budget was the most challenging to deal with in years. I believe my recommended budget was solid and fundamentally sound.

I proposed a budget relying on a two year "bridge" of revenue from the Rainy Day Fund. My proposal tapped the Rainy Day Fund to fill budget gaps until fiscal year 2018, when the projected budget shortfalls transition to surpluses. With \$914 million in cash, we have a sufficient amount in our Rainy Day Fund to deal with a two year-limited problem. As one of the creators of the State's reserve fund, I understand it was established for limited-term shortfalls, like this one.

My budget proposal borrowed \$83 million for Medicaid expenses. It assured the Rainy Day Fund would remain above the 15 percent threshold recommended by Wall Street rating agencies and by bond experts to continue the State's favorable bond ratings.

Enrolled Committee Substitute for Senate Bill No. 306 built additional expenses into the budget that increase future fiscal year budgets. These increase the amount of revenue needed to balance the budget and make budget gaps deeper. Without a tax increase or other revenue source, and absent the action I am taking today, Enrolled Committee Substitute for Senate Bill No. 306 will drop the Rainy Day Fund below what is considered the recommended threshold of 15 percent down to 11.5 percent in three fiscal years.

As stewards of taxpayer money, we must be committed to fiscal responsibility and not commit one-time surplus funds to increase on-going spending. Therefore, I have vetoed almost \$67 million from Enrolled Committee Substitute for Senate Bill No. 306. In doing so:

- 1) Utilization of the Rainy Day Fund is limited to \$100 million in FY 2015.
- 2) The threshold of the Rainy Day Fund does not drop below 15 percent in Fiscal Year 2016.
- 3) Our bond ratings will continue to be excellent.
- 4) The State will continue to receive the best interest rate on debt transactions.

Some of these reductions curb grants and services and, while they are difficult, they are necessary to responsibly manage future year budgets, without raising taxes.

Pursuant to the provisions of Section 51, Article VI of the Constitution of West Virginia, I hereby return Enrolled Committee Substitute for Senate Bill No. 306, passed March 14, 2014, approved with the following objections:

My first objection to the Bill is contained in Item 35, page 34, lines 26 and 27, which state:

“Regional Contracting Assistance Center 41800 375,000”

At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to avoid building the State’s base budget. Therefore, I am reducing the appropriation by the amount of \$166,785 to \$208,215.

My second objection to the Bill is contained in Item 35, page 35, lines 38 and 39, which state:

“Local Economic Development Assistance (R) 81900 4,688,940”

This is a significant increase over the FY 2014 appropriation and this line item has a substantial reappropriated balance available. At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to avoid growth in the State’s base budget. Therefore, I am reducing the appropriation by the amount of \$2,838,940 to \$1,850,000.

My third objection to the Bill is contained in Item 35, page 36, line 76 through line 78, which states:

“From the above appropriation for Current Expenses (fund 0256, appropriation 13000) \$231,250 is for TechConnect and \$231,250 is for Tamarack Foundation.”

The above language references an appropriation that has a zero balance. Therefore, I am deleting the language in its entirety, page 36, lines 76 through 78.

My fourth objection to the Bill is contained in Item 47, page 41, line 6, which states:

“Current Expenses (R) 13000 2,797,390”

In my budget adjustment letter submitted to the Legislature on February 19, 2014, I recommended an additional \$600,000 for the Office of Education Performance Audits to provide for increased audits in preparation for the new school grading system. A portion of this recommendation was reallocated to other lines within the Department of Education, not consistent with my recommended intent. Therefore, I am reducing the appropriation by the amount of \$125,000 to \$2,672,390.

My fifth objection to the Bill is contained in Item 47, page 42, line 40, which states:

“21st Century Innovation Zones 87600 466,144”

While the passage of HB 4619 during the 2014 regular session provides for an additional layer of Innovation Zones, the current level of funding has not been fully utilized and should be sufficient to meet the additional needs required by the bill. Therefore, I am reducing the appropriation by the amount of \$200,000 to \$266,144.

My sixth objection to the Bill is contained in Item 47, page 42, line 41, which states:

“21st Century Learners (R) 88600 2,187,598”

In my budget adjustment letter submitted to the Legislature on February 19, 2014, I recommended an additional \$600,000 for the Office of Education Performance Audits to provide for increased audits in preparation for the new school grading system. A portion of this recommendation was reallocated to other lines within the Department of Education, not consistent with my recommended intent. Therefore, I am reducing the appropriation by the amount of \$125,000 to \$2,062,598.

My seventh objection to the Bill is contained in Item 47, page 44, line 93 through line 97, which states:

“Included in the above appropriation for 21st Century Innovation Zones (fund 0313,

appropriation 87600) is \$200,000 for Entrepreneurship Education Priority Innovation Zones to be used in accordance with the provisions of W. Va. Code §18-5b-3.”

Having reduced the appropriation to 21st Century Innovation Zones in objection five above, I am deleting the language in its entirety, page 44, lines 93 through 97.

My eighth objection to the Bill is contained in Item 47, page 44, line 98 through line 106, which states:

“From the above appropriation for Educational Program Allowance (fund 0313, appropriation 99600), \$100,000 shall be expended for Webster County Board of Education for Hacker Valley; \$150,000 for the Randolph County Board of Education for Pickens School; and \$100,000 shall be for the Preston County Board of Education for the Aurora School; \$100,000 shall be for the Fayette County Board of Education for Meadow Bridge; and \$85,000 is for Project Based Learning in STEM fields.”

The above language directs expenditures in excess of the available appropriation. Therefore, I am deleting the phrase on page 44, lines 104 and 105, “\$100,000 shall be for the Fayette County Board of Education for Meadow Bridge;” and reducing the amount in the language on page 44, line 105 from \$85,000 to \$66,250.

My ninth objection to the Bill is contained in Item 53, page 49, line 12, which states:

“Educational Enhancements 69500 350,000”

The above appropriation includes new funding for the Reconnecting McDowell - Save the Children and the Clay Center. At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to avoid new spending and building the State’s base budget. Therefore, I am reducing the appropriation by the amount of \$150,000 to \$200,000.

My tenth objection to the Bill is contained in Item 53, page 49, line 28 through line 31, which states:

“Included in the above appropriation for Educational Enhancements (fund 0294, appropriation 69500) is \$250,000 for Reconnecting McDowell - Save the Children, and \$100,000 for the Clay Center.”

Having reduced the appropriation to Educational Enhancements in objection nine above, I am reducing the amount in the language on page 49, line 29 from \$250,000 to \$125,000 and on page 49, line 31 from \$100,000 to \$75,000.

My eleventh objection to the Bill is contained in Item 62, page 56, lines 16 and 17, which state:

“Primary Care Centers - Mortgage Finance 41300 343,505”

At a time when we are facing ongoing budget challenges, it is imperative that a proactive approach be used to reduce spending. An independent audit of the Department recommended the elimination of this funding because it was not tied to outcome measures. In addition, federal grant funding for capital and infrastructure investment has mitigated the need for general revenue funds for this purpose. With the expansion of Medicaid and the implementation of the Affordable Care Act, the Primary Care Centers will experience less uncompensated care and will be in a better position to deal with a reduction in the state subsidy for their mortgages. Through a structured methodology, I recommend phasing out this subsidy over the next three years. Therefore, I am reducing the appropriation by the amount of \$114,502 to \$229,003.

My twelfth objection to the Bill is contained in Item 62, page 58, line 82 through line 113, which states:

“Included in the above appropriation for Primary Care Centers - Mortgage Finance (fund 0407, appropriation 41300) is \$22,919 for the mortgage payment for the Lincoln Primary Care Center, Inc.; \$24,359 for the mortgage payment for the Monroe Health Center; \$19,510 for the mortgage payment for Roane County Family Health Care, Inc.; \$22,002 for the mortgage payment for Community Care (formerly Primary Care Systems); \$9,168 for the mortgage payment for the Belington Community Medical Services; \$13,751 for the mortgage payment for Community Care (formerly Tri-County Health Clinic); \$6,876 for the mortgage payment for Valley Health Care (Randolph); \$12,176 for the mortgage payment for WomenCare (Family Care Health Center - Madison); \$3,667 for the mortgage payment for Northern Greenbrier Health Clinic; \$5,819 for the mortgage payment for the Women's Care, Inc. (Putnam); \$9,168 for the mortgage payment for the North Fork Clinic (Pendleton); \$18,335 for the mortgage payment for the Pendleton Community Care; \$17,602 for the mortgage payment for Clay-Battelle Community Health Center; \$22,678 for the mortgage payment for Monongahela Valley Association of Health Centers, Inc. (Marion); \$15,401 for the mortgage payment for Mountaineer Community Health Center; \$5,959 for the mortgage payment for the St. George Medical Clinic; \$12,835 for the mortgage payment for the Bluestone Health Center; \$20,627 for the mortgage payment for Wheeling Health Right; \$22,002 for the mortgage payment for the Minnie Hamilton Health Care Center, Inc.; \$24,752 for the mortgage payment for the Shenandoah Valley Medical Systems, Inc.; \$20,627 for the mortgage payment for the Change, Inc.; and \$13,274 for the mortgage payment for the Wirt County Health Services Association.”

Having reduced the appropriation to Primary Care Center - Mortgage Finance in

objection eleven above, I am reducing the amount in the language on page 58, line 84 from \$22,919 to \$15,279, on page 58, line 85 from \$24,359 to \$16,239, on page 58, line 86 from \$19,510 to \$13,007, on page 58, line 87 from \$22,002 to \$14,668, on page 58, line 89 from \$9,168 to \$6,112, on page 58, line 90 from \$13,751 to \$9,167, on page 58, line 92 from \$6,876 to \$4,584, on page 58, line 93 from \$12,176 to \$8,117, on page 58, line 95 from \$3,667 to \$2,445, on page 58, line 96 from \$5,819 to \$3,879, on page 58, line 97 from \$9,168 to \$6,112, on page 58, line 98 from \$18,335 to \$12,223, on page 58, line 100 from \$17,602 to \$11,735, on page 58, line 101 from \$22,678 to \$15,119, on page 58, line 103 from \$15,401 to \$10,267, on page 58, line 104 from \$5,959 to \$3,973, on page 58, line 106 from \$12,835 to \$8,557, on page 58, line 107 from \$20,627 to \$13,751, on page 58, line 108 from \$22,002 to \$14,668, on page 58, line 109 from \$24,752 to \$16,501, on page 58, line 111 from \$20,627 to \$13,751, and on page 58, line 112 from \$13,274 to \$8,849.

My thirteenth objection to the Bill is contained in Item 66, page 62, line 11, which states:

“Family Resource Networks 27400 1,762,464”

My recommended FY 2015 budget included an appropriation of \$1,612,000 for this line item. At a time when we are facing major future funding challenges, it is imperative that a proactive approach be used to reduce base budget spending. Efforts are underway to ensure this service is efficiently operated and monitored for evidence based results. Part of this effort will determine if any duplication is taking place amongst the family support programs. Cuts are never easy, but are necessary in our State’s current financial situation. Therefore, I am reducing the appropriation by the amount of \$150,464 to \$1,612,000.

My fourteenth objection to the Bill is contained in Item 66, page 62, lines 12 and 13, which state:

“Domestic Violence Legal Services Fund 38400 400,000”

My recommended FY 2015 budget included an appropriation of \$370,000 for this line item. This line item is also supported by special revenue fees from the circuit court which are adequate to cover a reduction to this line item. Therefore, I am reducing the appropriation by the amount of \$30,000 to \$370,000.

My fifteenth objection to the Bill is contained in Item 66, page 62, line 25, which states:

“In-Home Family Education 68800 1,000,000”

My recommended FY 2015 budget included an appropriation of \$750,000 for this line item. Efforts are underway to ensure this service is efficiently operated and monitored for

evidence based results. Part of this effort will determine if any duplication is taking place amongst the family support programs. At a time when we are facing ongoing budget challenges, it is imperative that a proactive approach be used to reduce base budget spending to better position the State to address anticipated budget gaps. Therefore, I am reducing the appropriation by the amount of \$250,000 to \$750,000.

My sixteenth objection to the Bill is contained in Item 66, page 62, line 37 through line 39, which states:

**“Grants for Licensed Domestic Violence Programs
and Statewide Prevention 75000 2,500,000”**

My recommended FY 2015 budget included an appropriation of \$2,142,100 for this line item. At a time when we are facing ongoing budget challenges, it is imperative that a proactive approach be used to reduce base budget spending. Cuts are never easy, but are necessary in our State’s current financial situation. Therefore, I am reducing the appropriation by the amount of \$357,900 to \$2,142,100.

My seventeenth objection to the Bill is contained in Item 66, page 63, line 48, which states:

“Children’s Trust Fund - Transfer 95100 300,000”

My recommended FY 2015 budget included an appropriation of \$220,000 for this line item. Efforts are underway to ensure this service is efficiently operated and monitored for evidence based results. Part of this effort will determine if any duplication is taking place amongst the family support programs. At a time when we are facing ongoing budget challenges, it is imperative that a proactive approach be used to reduce base budget spending to better position the State to address anticipated budget gaps. Therefore, I am reducing the appropriation by the amount of \$80,000 to \$220,000.

My eighteenth objection to the Bill is contained in Item 68, page 66, line 1, which states:

“Unclassified 09900 \$ 16,710,103”

My recommended FY 2015 budget included an appropriation of \$15,524,044 for this fund. While the programmatic appropriations I recommended were consolidated into one Unclassified line item, the aggregate funding level was also increased. As good stewards of the taxpayer’s dollars, there are times we must do more with less and reduce the State’s base budget. Therefore, I am reducing the appropriation by the amount of \$1,186,059 to \$15,524,044.

My nineteenth objection to the Bill is contained in Item 73, page 69, line 15, which states:

“Corrections Academy 56900 1,602,129”

This line increased funding for above my FY 2015 recommendation by \$200,000. At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to avoid building the State’s base budget. Therefore, I am reducing the appropriation by the amount of \$100,000 to \$1,502,129.

My twentieth objection to the Bill is contained in Item 74, page 71, lines 1 and 2 , which state:

“Personal Services and Employee Benefits 00100 \$ 59,075,965”

At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to avoid building the State’s base budget. The State Police have historically been able to transfer extra funds from Personal Services to other lines within their budget and do not require as large of an increase to fund the salary increases for civilian employees required under SB 486 passed during the 2014 regular session and the new State Troopers for the Internet Crimes Against Children Unit. Therefore, I am reducing the appropriation by the amount of \$507,913 to \$58,568,052.

My twenty-first objection to the Bill is contained in Item 74, page 71, line 3, which states:

“Children’s Protection Act 09000 947,942”

My recommended FY 2015 budget included an appropriation of \$935,819 for this line item. As good stewards of the taxpayer’s dollars, there are times we must do more with less and reduce the State’s base budget. Therefore, I am reducing the appropriation by the amount of \$12,123 to \$935,819.

My twenty-second objection to the Bill is contained in Item 74, page 71, line 4, which states:

“Current Expenses 13000 11,219,232”

My recommended FY 2015 budget included an appropriation of \$10,397,784 for this line item. At a time when we are facing ongoing budget challenges, it is imperative that a proactive approach be used to reduce base budget spending. Therefore, I am reducing the appropriation by the amount of \$821,448 to \$10,397,784.

My twenty-third objection to the Bill is contained in Item 74, page 71, line 6, which states:

“Vehicle Purchase 45100 2,403,790”

At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to avoid building the State’s base budget. Therefore, I am reducing the appropriation by the amount of \$903,790 to \$1,500,000.

My twenty-fourth objection to the Bill is contained in Item 74, page 71, lines 8 and 9 , which state:

“Communications and Other Equipment (R) 55800 1,338,968”

My recommended FY 2015 budget included an appropriation of \$1,268,968 for this line item. At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to avoid building the State’s base budget. Therefore, I am reducing the appropriation by the amount of \$70,000 to \$1,268,968.

My twenty-fifth objection to the Bill is contained in Item 74, page 71, line 10, which states:

“Trooper Retirement Fund 60500 4,625,240”

Having reduced the appropriation for Personal Services and Employee Benefits in objection twenty above, it is necessary to reduce the appropriation proportionally for retirement matching. Therefore, I am reducing the appropriation by the amount of \$38,899 to \$4,586,341.

My twenty-sixth objection to the Bill is contained in Item 74, page 71, line 11, which states:

“Handgun Administration Expense 74700 81,668”

My recommended FY 2015 budget included an appropriation of \$80,240 for this line item. Cuts are never easy, but are necessary in our State’s current fiscal situation. Therefore, I am reducing the appropriation by the amount of \$1,248 to \$80,420.

My twenty-seventh objection to the Bill is contained in Item 74, page 71, lines 12 and 13, which state:

“Capital Outlay and Maintenance (R) 75500 314,425”

My recommended FY 2015 budget included an appropriation of \$250,000 for this line item. At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to avoid building the State's base budget. Therefore, I am reducing the appropriation by the amount of \$64,425 to \$250,000.

My twenty-eighth objection to the Bill is contained in Item 74, page 71, lines 16 and 17, which state:

"Automated Fingerprint Identification System 89800 704,920"

My recommended FY 2015 budget included an appropriation of \$671,994 for this line item. At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to avoid building the State's base budget. Therefore, I am reducing the appropriation by the amount of \$32,926 to \$671,994.

My twenty-ninth objection to the Bill is contained in Item 76, page 73, line 5, which states:

"Child Advocacy Centers (R) 45800 1,702,466"

At a time when we are facing ongoing budget challenges, it is imperative that a proactive approach be used to reduce base budget spending to better position the State to address anticipated budget gaps. Therefore, I am reducing the appropriation by the amount of \$200,000 to \$1,502,466, which is the FY 2014 funding level.

My thirtieth objection to the Bill is contained in Item 76, page 73, lines 8 and 9, which state:

"Sexual Assault Forensic Examination Commission 71400 150,000"

This is a new program for which a necessary level of appropriation has not yet been established. In light of this uncertainty and the ongoing budget challenges we are facing, a cautious and prudent approach be taken to control and limit new spending and the State's base budget. Therefore, I am reducing the appropriation by the amount of \$50,000 to \$100,000.

My thirty-first objection to the Bill is contained in Item 90, page 82, line 1 through line 4, which states:

**"Transfer to Division of Human Services for Health
Care and Title XIX Waiver for Senior Citizens 53900 \$ 19,457,690"**

At a time when we are facing major future funding challenges, it is imperative that a cautious and prudent approach be taken to slow growth in the State's base budget. The above appropriation expands an optional Medicaid program. Providing services to our seniors in their homes is an important option. Therefore, I have directed the Secretary of the Department of Health and Human Resources to evaluate all the care provided to our seniors to ensure appropriate utilization of services. The expansion of Medicaid and the implementation of the Affordable Care Act should be monitored prior to significantly expanding any program without utilization data. Therefore, I am reducing the appropriation by the amount of \$3,500,000 to \$15,957,690. Notwithstanding, this appropriation provides an additional 335 slots in the program.

My thirty-second objection to the Bill is contained in Item 91, page 83, lines 7 and 8, which state:

“West Virginia Advance Workforce Development (R) . . 89300 3,645,095”

This line represents a \$400,000 increase above my recommended FY 2015 budget. As good stewards of the taxpayer's dollars, it is imperative that a cautious and prudent approach be taken to avoid building the State's base budget. Therefore, I am reducing the appropriation by the amount of \$200,000 to \$3,445,095, which is still above the FY 2014 funding level for this line item.

My thirty-third objection to the Bill is contained in Item 91, pages 83 and 84, line 33 through line 37, which states:

“Included in the above appropriation for West Virginia Advance Workforce Development (fund 0596, appropriation 89300) is an additional \$400,000 to be used exclusively for advanced manufacturing and energy industry specific training programs.”

Having reduced the appropriation to West Virginia Advance Workforce Development in objection thirty-two above, I am reducing the amount in the language on page 83, line 35 from \$400,000 to \$200,000.

My thirty-fourth objection to the Bill is contained in Item 96, page 85, lines 1 and 2, which state:

“West Virginia University - Parkersburg 47100 \$ 10,081,330”

My recommended FY 2015 budget included an appropriation of \$9,858,752 for this line item. At a time when we are facing ongoing budget challenges, it is imperative that a proactive approach be used to reduce base budget spending to better position the State to address

anticipated budget gaps. Therefore, I am reducing the appropriation by the amount of \$222,578 to \$9,858,752.

My thirty-fifth objection to the Bill is contained in Item 104, page 90, line 1, which states:

“West Virginia University 45900 \$103,099,869”

At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to slow the growth in the State’s base budget. Therefore, I am reducing the appropriation by the amount of \$100,000 to \$102,999,869.

My thirty-sixth objection to the Bill is contained in Item 104, pages 90 and 91, line 18 through line 45, which states:

“Included in the above appropriation for West Virginia University (fund 0344, appropriation 45900) is \$34,500 for the Marshall and WVU Faculty and Course Development International Study Project; \$546,429 for the WVU Law School - Skills Program; \$300,000 for the WVU Coal and Energy Research Bureau to be expended in consultation with the Board of Coal Mine Health and Safety, the Mine Safety Technology Task Force, and the DEP Advisory Council; \$19,714 for the WVU College of Engineering and Mineral Resources - Diesel Training - Transfer; \$500,000 for the Mining Engineering Program; \$220,000 for the WVU Petroleum Engineering Program; \$82,500 for the WVU - Sheep Study; \$630,000 for the Davis College of Forestry Agriculture and Consumer Sciences of which \$80,000 is for a Landscape Architect, \$112,500 is to be used for Morgantown Farms, \$112,500 is to be used for repairs at the Raymond Memorial Farm, \$112,500 is to be used for Reedsville Farm, and \$112,500 is to be used for Kerneysville Farm; \$200,000 for Reedsville Arena and Jackson's Mill Arena; \$100,000 for the WVU - Soil Testing Program; \$100,000 for a veterinarian; \$50,000 for the WVU Cancer Study; \$500,000 for the Center for Multiple Sclerosis Program; \$150,000 for the WV Alzheimer Disease Register; \$100,000 for the rifle team; \$125,000 is for the West Virginia University National Center of Excellence in Women's Health; and \$30,000 for the West Virginia University Extension Service to develop a cyber-bullying prevention program.”

Having reduced the appropriation to West Virginia University in objection thirty-five above, I am reducing the amount in the language on page 90, line 21 from \$546,429 to \$446,429. The language also directs additional expenditures without increasing the appropriation, placing a greater strain on current resources. Therefore I am deleting the phrase on page 91, line 41 through line 43, “\$125,000 is for the West Virginia University National Center of Excellence in Women’s Health;”.

My thirty-seventh objection to the Bill is Item 149, page 112, line 1 through line 5, which

states;

“From the balance of funds in the Department of Administration, Board of Risk Insurance Management, Premium Tax Savings Fund (fund 2367) the amount of \$2,216,846 shall be expired to the Medical Services Trust Fund (fund 5185).”

The Board of Risk and Insurance Management - Premium Tax Savings Fund is not the proper place to make an expiration to the Medical Services Trust Fund. Therefore, I am deleting the language in its entirety, page 112, line 1 through line 5.

My thirty-eighth objection to the Bill is contained in Item 233, page 146, lines 1 and 2, which state:

“Medical Services Trust Fund - Transfer 51200 \$147,552,295”

While we are forced, for the first time, to utilize a portion of our Revenue Shortfall Reserve Fund to fund rising state Medicaid appropriations, it is critical that appropriate actions be taken to minimize the usage of the fund, which, among others, is a factor in the state’s bond rating. Early projections for next year’s FY 2016 budget show a budget gap that must be addressed next year and maintaining a healthy balance in the Revenue Shortfall Reserve Fund will serve West Virginians well.

Through the actions in this veto message, and the actions of the Legislature in the passage of HB 101 during the 2014 first extraordinary session, there will be additional funds available to appropriate to Medicaid at a later time. This allows the appropriation to Medicaid from the Revenue Shortfall Reserve Fund to be decreased to a more responsible level. Therefore, I am reducing the appropriation by the amount of \$47,552,295 to \$100,000,000.

My thirty-ninth objection to the Bill is contained in Item 287, page 170, line 1, which states:

“Current Expenses 13000 \$ 3,653,750”

This is a significant increase over the FY 2014 appropriation. At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to slow the growth in the State’s base budget. Therefore, I am reducing the appropriation by the amount of \$2,384,375 to \$1,269,375.

My fortieth objection to the Bill is contained in Item 291, page 182, line 5, which states:

“Libraries - Special Projects (R) 62500 786,250”

At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to avoid building the State's base budget. Therefore, I am reducing the appropriation by the amount of \$786,250 to \$0.

My forty-first objection to the Bill is contained in Item 292, page 183, lines 8 and 9, which state:

"Senior Citizen Centers and Programs (R) 46200 2,284,750"


This is a significant increase over the FY 2014 appropriation and this line item has a substantial reappropriated balance available. At a time when we are facing ongoing budget challenges, it is imperative that a cautious and prudent approach be taken to avoid growth in the State's base budget. Therefore, I am reducing the appropriation by the amount of \$1,284,750 to \$1,000,000.

My forty-second objection to the Bill is contained in Item 292, page 183, lines 25 and 26, which state:

"In-Home Services and Nutrition for Senior Citizens . . . 91700 4,420,941"

At a time when we are facing ongoing budget challenges, it is imperative that a proactive approach be used to reduce base budget spending. Cuts are never easy, but are necessary in our State's current financial situation. Therefore, I am reducing the appropriation by the amount of \$100,000 to \$4,320,941.

For the reasons stated herein, I have approved, subject to the above objections, Enrolled Committee Substitute for Senate Bill No. 306.

Sincerely,

Earl Ray Tomblin
Governor

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