

Patrick Morrisey Office of the Governor

April 17, 2025

## VIA HAND DELIVERY

The Honorable Kris Warner Secretary of State Building 1, Suite 157-K 1900 Kanawha Boulevard, East Charleston, West Virginia 25305

## RE: Enrolled Committee Substitute for House Bill 2026

Dear Secretary Warner:

Many tough fiscal decisions have been made in finalizing the FY 2026 budget, which seeks to right-size our ongoing base expenditures in General Revenue and Lottery funds. This includes maintaining a strong level of budgetary reserves, limiting the growth rate of the base, and committing to address long-term liabilities. The use of long-term budget planning, through the State's Six Year Financial Plan, highlights the need for continued conservative budget planning. With likely fiscal challenges involving Medicaid, PEIA, and potential changes to the federal tax code, it's imperative for West Virginia to maintain fiscal responsibility and flexibility in decision making.

Pursuant to the provisions of section fifty-one, article VI of the Constitution of West Virginia, I hereby return Enrolled Committee Substitute for House Bill 2026, passed April 11, 2025, approved with the following objections:

My first objection to the Bill is contained in page 4, lines 68 through 72, which states:

"Provided further, Notwithstanding any previous provision no general revenue funds appropriated to the following funds 0403, 0481, 0482, 0483, 0484, 0485, 0486, 0487, 0488, 0489, 0492, 0493, 0494, 0495 and 0496 within the Department of Human Services may be transferred between the aforementioned funds:"

I am advised that this insertion of new language will be overly burdensome and restrictive for the operation of the Department of Human Services. Therefore, I am striking the language beginning on line 68 and ending on line 72. This will allow the Department to efficiently allocate resources during the fiscal year.

My second objection to the Bill is contained in Item 7, page 14, line 2, which states:

State Capitol | 1900 Kanawha Blvd., East, Charleston, WV 25305 | (304) 558-2000

This appropriation has a significant reappropriated balance from previous fiscal years. In addition, as most state agencies are sharing in some of the sacrifices of lower spending, it is only appropriate for the legislative branch to also sacrifice some of their grant-making resources. Therefore, I am reducing the appropriation by \$100,000 to \$4,900,000.

My third objection to the Bill is contained in Item 10, page 18, lines 38 through 39, which states:

## "From the above appropriation for Current Expenses (fund 0131, appropriation 13000) \$100,000 shall be used for the Willowbend Agricultural Innovation Center."

This directive language -- which I am striking in its entirety -- appropriates money needed by the Agriculture Commissioner for its operations. I have directed our office to work with Willowbend to address its budgetary needs.

My fourth objection to the Bill is contained in Item 44, page 35, line 4, which states:

#### 

A cautious and prudent approach must be taken to avoid building the State's base budget. Therefore, I am reducing the appropriation by \$300,000 to \$2,750,000.

My fifth objection to the Bill is contained in Item 44, page 35, lines 16 through 17, which states:

### ", and \$300,000 shall be used for Mountwood Park"

To keep in line with the reduction made to this appropriation above, I am also eliminating the associated directive language for fund 0246, appropriation 61806, regarding Mountwood Park. This provision was inserted into the budget bill, however, no supporting documentation was provided to the Executive to justify the expenditure.

My sixth objection to the Bill is contained in Item 46, page 37, line 5, which states:

#### 

At a time when we are facing ongoing budget challenges, it is imperative that we take steps to limit new spending. Therefore, I am reducing the appropriation by \$500,000 to \$1,139,624.

My seventh objection to the Bill is contained in Item 46, page 37, line 10, which states:

## "From the above appropriation for Current Expenses (fund 0296, appropriation 13000) \$1,500,000 shall be used for the Martinsburg Berkeley Public Library."

To keep in-line with the reduction made to this appropriation above, I am also reducing the associated directive language for fund 0296, appropriation 13000, by \$500,000 to \$1,000,000.

My eighth objection to the Bill is contained in Item 49, page 38, line 6, which states:

#### 

At a time when we are facing ongoing budget challenges, it is imperative that we take steps to limit new spending. Therefore, I am reducing the appropriation by \$200,000 to \$7,243,900.

My ninth objection to the Bill is contained in Item 49, page 39, line 22, which states:

#### 

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 must be taken to avoid unnecessarily increasing the State's base budget. Therefore, I am reducing the appropriation by \$1,400,000 to \$600,000.

My tenth objection to the Bill is contained in Item 49, page 39, line 29, which states:

#### 

At a time when we are facing ongoing budget challenges, it is imperative that we take steps to limit new spending. Therefore, I am reducing the appropriation by \$300,000 to \$1,000,000.

My eleventh objection to the Bill is contained in Item 49, page 41, lines 63 through 64, which states:

# "From the appropriation for Safe Schools (fund 0313, appropriation 14300), \$3,100,000 shall be used for school mapping."

To keep in-line with the reduction made to this appropriation above, I am also reducing "\$3,100,000" to "\$2,900,000" in the directive language under fund 0313.

My twelfth objection to the Bill is contained in Item 49, page 41, lines 65 through 66, which states:

# "From the above appropriation for MATH Program (fund 0313, appropriation 36800), \$50,000 shall be for Math Counts."

This directive language does not reflect my original recommendation. Therefore, I am eliminating the directive language for fund 0313, appropriation 36800 regarding Math Counts.

My thirteenth objection to the Bill is contained in Item 58, page 46, line 5, which states:

"Current Expenses 1	13000	<b>5,239,831</b> "
---------------------	-------	--------------------

At a time when we are facing ongoing budget challenges, it is imperative that we take steps to limit new spending. Therefore, I am reducing the appropriation by \$3,000,000 to \$2,239,831. This is the same amount as my original recommendation.

My fourteenth objection to the Bill is contained in Item 58, page 47, lines 10 through 11, which states:

# "From the above appropriation for Current Expenses (fund 0407, appropriation 13000), \$5,000,000 shall be used for the Ronald McDonald House of Morgantown."

To keep in line with the reduction made to the appropriation above, I am reducing the directive language for fund 0407, appropriation 13000 by \$3,000,000 to \$2,000,000.

My fifteenth objection to the Bill is contained in Item 81, page 56, line 14, which states:

"In-Home Family Education	68800	1,100,000"
---------------------------	-------	------------

At a time when we are facing ongoing budget challenges, it is imperative that we take steps to limit new spending. Therefore, I am reducing the appropriation by \$100,000 to \$1,000,000.

My sixteenth objection to the Bill is contained in Item 81, page 56, lines 28 through 29, which states:

# "From the above appropriation of Current Expenses (fund 0403, appropriation 13000), \$300,000 shall be used for Green Acres Regional Center, Inc."

This provision was inserted into the budget bill, however, no supporting documentation was provided to the Executive to justify the expenditure. Therefore, I am striking it in its entirety.

My seventeenth objection to the Bill is contained in Item 112, page 78, line 7, which states:

In consultation with the State Police, and as a good steward of the taxpayer's dollars, I am restoring the appropriation back to my original recommendation. Therefore, I am reducing the appropriation by \$161,172 to \$3,066,216.

My eighteenth objection to the Bill is contained in Item 115, page 80, line 5, which states:

This program has primarily been funded by state and federal grants. In light of the ability to obtain grants and the ongoing budget challenges we are facing, a cautious and prudent approach must be taken to avoid building the State's base budget. Therefore, I am reducing the appropriation by \$800,000 to \$300,000.

My nineteenth objection to the Bill is contained in Item 123, page 84, line 5, which states:

"Federal Funds/Grant Match	74900	1,250,000"
At a time when we are facing ongoing budget challenges, it is limit new spending. Therefore, I am reducing the appropriation by \$50	-	
My twentieth objection to the Bill is contained in Item 126, pa	ge 86, line 8, wi	hich states:
"Veterans' Nursing Home (R)	28600	11,443,175"
In my budget adjustment letter submitted to the Legislature on net zero adjustment. A necessary reduction was not reflected in House reducing the appropriation by \$187,650 to \$11,255,525.		â
My twenty-first objection to the Bill is contained in Item 139,	page 90, line 7,	which states:
"Tuition Contract Program (R)	16500	1,533,917"
At a time when we are facing ongoing budget challenges, it is limit new spending. Therefore, I am reducing the appropriation by \$20	-	-
My twenty-second objection to the Bill is contained in Item 13	89, page 91, line	e 16, which states:
"West Virginia University College of Law	XXXXX	250,000"
<b>"West Virginia University College of Law</b> This provision was inserted into the budget bill, however, provided to the Executive to justify the expenditure. Therefore, I am red to \$0.	no supporting	documentation was
This provision was inserted into the budget bill, however, provided to the Executive to justify the expenditure. Therefore, I am red	no supporting ucing the appro-	documentation was priation by \$250,000
This provision was inserted into the budget bill, however, provided to the Executive to justify the expenditure. Therefore, I am red to \$0.	no supporting ucing the appro-	documentation was priation by \$250,000
This provision was inserted into the budget bill, however, provided to the Executive to justify the expenditure. Therefore, I am red to \$0. My twenty-third objection to the Bill is contained in Item 151.	no supporting ucing the appro- page 96, line 3 xxxxx no supporting	documentation was priation by \$250,000 , which states: 250,000" documentation was
This provision was inserted into the budget bill, however, provided to the Executive to justify the expenditure. Therefore, I am red to \$0. My twenty-third objection to the Bill is contained in Item 151, <b>"LPN to BSN</b> This provision was inserted into the budget bill, however, provided to the Executive to justify the expenditure. Therefore, I am red	no supporting ucing the appro- page 96, line 3 xxxxx no supporting lucing the appro-	documentation was priation by \$250,000 , which states: <b>250,000</b> " documentation was priation by \$250,000
This provision was inserted into the budget bill, however, provided to the Executive to justify the expenditure. Therefore, I am red to \$0. My twenty-third objection to the Bill is contained in Item 151, <b>"LPN to BSN</b> This provision was inserted into the budget bill, however, provided to the Executive to justify the expenditure. Therefore, I am red to \$0.	no supporting ucing the appro- page 96, line 3 xxxxx no supporting lucing the appro-	documentation was priation by \$250,000 , which states: <b>250,000</b> " documentation was priation by \$250,000
This provision was inserted into the budget bill, however, provided to the Executive to justify the expenditure. Therefore, I am red to \$0. My twenty-third objection to the Bill is contained in Item 151, <b>"LPN to BSN</b> This provision was inserted into the budget bill, however, provided to the Executive to justify the expenditure. Therefore, I am red to \$0. My twenty-fourth objection to the Bill is contained in Item 15	no supporting ucing the appro- page 96, line 3 xxxxx no supporting lucing the appro- 6, page 99, line 23700 nore in line with	documentation was priation by \$250,000 , which states: 250,000" documentation was priation by \$250,000 4, which states: 700,235,315" h estimated

## "Higher Education Policy Commission -

## Military College Advisory Council Fund

## (W.V. Code Chapter 18B)

## Fund XXXX FY 2026 Org 0442"

The above org number references "0442" which is the System branch of the Higher Education Policy Commission, which is typically responsible for capital projects and facility needs. House Bill 2718 states that this new fund is for the State Advisory Council on Establishing a Military College, which would fall under Higher Education Policy Commission – Administration, org number "0441". Therefore, I hereby disapprove and strike the org number "0442".

My twenty-sixth objection to the Bill is contained in Item 434, page 214, line 1, which states:

"Direct Transfer - Surplus	70099	\$	125,000,000"
I am reducing this surplus appropriation by \$25,000,000 to \$10 the State to address likely fiscal challenges involving Medicaid, PEIA, federal tax code.			•
My twenty-seventh objection to the Bill is contained in Item 4	35, page 214	, line 1,	which states:
"Directed Transfer - Surplus	70099	\$	75,000,000"
Currently the Economic Development Project Fund, where the transferred, has a sufficient cash and investment balance. A cautious a to avoid spending the State's surplus balances due to anticipated out-yet fiscal challenges involving Medicaid, PEIA, and potential changes to the reducing the appropriation by \$75,000,000 to \$0.	nd prudent a ar budget ga	pproacl	h must be taken o address likely

My twenty-eighth objection to the Bill is contained in Item 436, page 214, line 1, which states:

"Directed Transfer - Surplus	70099	\$	10,000,000"
------------------------------	-------	----	-------------

A cautious and prudent approach must be taken to avoid spending the State's surplus balances due to anticipated out-year budget gaps and to address likely fiscal challenges involving Medicaid, PEIA, and potential changes to the federal tax code. Therefore, I am reducing the appropriation by \$10,000,000 to \$0.

My twenty-ninth objection to the Bill is contained in Item 437, page 215, line 1, which states:

"Current Expense - Surplus ...... 13099 \$ 250,000"

While the above projects may be of worth, I am hesitant to add funding for programs when the future challenges in West Virginia's budget make it imperative that a cautious and prudent approach be taken to avoid spending the State's surplus balances due to anticipated out-year budget gaps and to address likely fiscal challenges involving Medicaid, PEIA, and potential changes to the federal tax code. Therefore, I am reducing the appropriation by \$250,000 to \$0.

For the reasons stated herein, I have approved, subject to the above objections, Enrolled Committee Substitute for House Bill 2026.

Sincerely,

PATRICK Morrison

Patrick Morrisey Governor

cc: The Hon. Roger Hanshaw Speaker, West Virginia House of Delegates

The Hon. Randy Smith President, West Virginia Senate