



GOVERNOR OF MISSOURI

JEFFERSON CITY

65102

JEREMIAH W. (JAY) NIXON  
GOVERNOR

P.O. Box 720  
(573) 751-3222

June 24, 2014

TO THE SECRETARY OF STATE OF THE STATE OF MISSOURI

Herewith I return to you Conference Committee Substitute for Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 2011 entitled:

AN ACT

To appropriate money for the expenses, grants, and distributions of the Department of Social Services and the several divisions and programs thereof to be expended only as provided in Article IV, Section 28 of the Constitution of Missouri, and to transfer money among certain funds for the period beginning July 1, 2014 and ending June 30, 2015; provided that no funds from these sections shall be expended for the purpose of costs associated with the offices of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, or Attorney General, and further provided that the Department of Social Services shall employ no more than 1,753.87 full-time equivalent (FTE) employees from the General Revenue Fund.

The General Assembly passed the Fiscal Year 2015 budget on May 8, 2014. One week later, during the final hours of the legislative session, the General Assembly passed a number of bills that put this budget severely out of balance. On June 11, 2014 I vetoed each of these bills, providing detailed reasons for my objections, including the General Assembly's failure to account for these measures in the Fiscal Year 2015 budget. Further, I objected to these measures because of the significant damage they would inflict on the budgets of local jurisdictions. Contained within these bills are loopholes and special breaks that would permanently and immediately begin reducing state revenue by more than \$425 million annually and local revenue by more than \$351 million annually.

Despite my veto of these bills, the Governor's Constitutional obligation to ensure a balanced budget requires that I account for their potential fiscal impact. I must consider all possible actions that the legislature may take. Therefore, it is essential that I make the fiscally responsible decision to include the impact of these bills in the budget actions I am taking today.

Maintaining a balanced budget also requires the consideration of three other fiscal realities that were not taken into account in the Fiscal Year 2015 budget. First, the General Assembly counted on but ultimately failed to pass tax amnesty legislation, resulting in \$51.8 million less in general revenue for the budget. Second, the General Assembly's budget included \$50 million in tobacco settlement payments the Attorney General has indicated will likely not be available during Fiscal Year 2015. Third, the economic uncertainty facing all states is exacerbated in Missouri by the legislature's inaction on Medicaid expansion. The legislature's continued refusal to bring Missouri taxpayer dollars home and make up for federal health care cuts with an expansion of Medicaid is forcing hospitals to lay off workers and scale back services across the state. The fiscal consequences of these and other policies are already being seen in reduced revenue available to fund priority programs.

The combination of these fiscal realities and the 10 tax loophole bills passed by the General Assembly has resulted in a state budget that is severely out of balance. Compounding the problem, the General Assembly went on a spending spree, funding more than 30 new programs and the construction of new government buildings. In total, the General Assembly added funding above my recommendations for more than 100 spending items in the Fiscal Year 2015 budget.

The fiscal imbalance created by the General Assembly in enacting tax loopholes and exemptions without accounting for them in the budget, while at the same time adding funding for new government programs, must be corrected through my actions today to balance the state budget. In total, I am vetoing \$275.7 million in spending authority from the Fiscal Year 2015 budget, including \$144.6 million general revenue. In addition, I am restricting \$846.3 million in spending, including \$641.6 million general revenue; some or all of these restrictions may be released if funds are available. Combined, these actions will ensure the budget remains balanced and the state remains on a strong fiscal footing, one that will preserve resources for the highest priority state services and help to protect the state's spotless AAA credit rating.

For the aforementioned reasons and to ensure that the state budget remains balanced, I am vetoing the line-items specified below:

#### Section 11.007

I hereby veto \$250,000, including \$125,000 general revenue for the purpose of funding a data feed with the Missouri Law Enforcement Data Exchange (MoDEX).

Said section is vetoed in its entirety.

From \$125,000 to \$0 from General Revenue Fund.

From \$125,000 to \$0 from Federal Funds.

From \$250,000 to \$0 in total for the section.

Section 11.100

I hereby veto \$858,700, including \$708,700 general revenue for the Missouri Mentoring Partnership.

For the Missouri Mentoring Partnership.

From \$708,700 to \$0 from General Revenue Fund.

From \$935,000 to \$785,000 from Federal Funds.

From \$10,347,725 to \$9,489,025 in total for the section.

Section 11.152

I hereby veto \$4,000,000 general revenue for transfer to the Utilicare Stabilization Fund.

Said section is vetoed in its entirety from \$4,000,000 to \$0 from General Revenue Fund.

From \$4,000,000 to \$0 in total for the section.

Section 11.153

I hereby veto \$4,000,000 Utilicare Stabilization Fund for the Utilicare Program.

Said section is vetoed in its entirety from \$4,000,000 to \$0 from Utilicare Stabilization Fund.

From \$4,000,000 to \$0 in total for the section.

Section 11.157

I hereby veto \$500,000 general revenue for sexual assault victim assistance services and programs.

Said section is vetoed in its entirety from \$500,000 to \$0 from General Revenue Fund.

From \$500,000 to \$0 in total for the section.

Section 11.210

I hereby veto \$217,796 general revenue to increase children's treatment service provider rates.

For children's treatment services.

From \$10,308,325 to \$10,090,529 from General Revenue Fund.

From \$20,768,021 to \$20,550,225 in total for the section.

Section 11.220

I hereby veto \$3,819,746, including \$2,002,547 general revenue, including \$2,769,746 for foster care, residential treatment service, and related service provider rate increases; \$750,000 for an Internet-based health record system for foster children; and \$300,000 for an outdoor residential treatment program for foster children.

For placement costs including foster care payments.  
From \$75,277,335 to \$73,764,118 from General Revenue Fund.  
From \$47,281,187 to \$46,024,658 from Federal Funds.

For a HIPAA compliant, patient-centered, Internet-based health record system for foster children.  
From \$375,000 to \$0 from General Revenue Fund.  
From \$375,000 to \$0 from Federal Funds.

For placement costs in an outdoor learning residential licensed or accredited program located in south central Missouri.  
From \$114,330 to \$0 from General Revenue Fund.  
From \$185,670 to \$0 from Federal Funds.  
From \$123,613,522 to \$119,793,776 in total for the section.

Section 11.223

I hereby veto \$1,000,000 general revenue for Social Innovation Project Grants.

Said section is vetoed in its entirety from \$1,000,000 to \$0 from General Revenue Fund.  
From \$1,000,000 to \$0 in total for the section.

Section 11.225

I hereby veto \$200,000 general revenue for training of foster parents.

From \$603,479 to \$403,479 from General Revenue Fund.  
From \$776,399 to \$576,399 in total for the section.

Section 11.285

I hereby veto \$100,000 including \$40,000 general revenue for the purpose of funding the Hand Up pilot program.

For the Hand Up pilot program.  
From \$40,000 to \$0 from General Revenue Fund.  
From \$60,000 to \$0 from Federal Funds.  
From \$189,453,504 to \$189,353,504 in total for the section.

Section 11.295

I hereby veto \$29,836 general revenue for increasing youth treatment service provider rates.

For treatment services, including foster care and contractual payments.

Expense and Equipment by \$29,836 from \$940,929 to \$911,093 General Revenue Fund.

From \$17,520,638 to \$17,490,802 from General Revenue Fund.

From \$55,187,542 to \$55,157,706 in total for the section.

Section 11.422

I hereby veto \$12,000,000 including \$3,000,000 general revenue for an integrated healthcare fraud, waste and abuse system.

Said section is vetoed in its entirety.

From \$3,000,000 to \$0 from General Revenue Fund.

From \$9,000,000 to \$0 from Federal Funds.

From \$12,000,000 to \$0 in total for the section.

Section 11.440

I hereby veto \$500,000 general revenue for clinical medication therapy services.

From \$22,914,422 to \$22,414,422 from General Revenue Fund.

From \$1,200,460,318 to \$1,199,960,318 in total for the section.

Section 11.460

I hereby veto \$10,838,640 including \$4,000,000 general revenue for the continuation of a physicians' rate increase.

From \$206,613,324 to \$202,613,324 from General Revenue Fund.

From \$468,567,177 to \$461,728,537 from Federal Funds.

From \$682,658,616 to \$671,819,976 in total for the section.

Section 11.465

I hereby veto \$1,250,000 including \$500,000 general revenue for rural health clinic dental pilot project.

For the purpose of funding a pilot project to expand access to dental care for eligible children in rural communities.

From \$500,000 to \$0 from General Revenue Fund.

From \$750,000 to \$0 from Federal Funds.  
From \$66,100,009 to \$64,850,009 in total for the section.

Section 11.475

I hereby veto \$24,078,854, including \$8,886,301 general revenue, including \$22,458,680 for a nursing facility rate increase, and \$1,620,174 for a home health provider rate increase.

For care in nursing facilities or other long-term care services.  
From \$144,574,206 to \$136,285,830 from General Revenue Fund.  
From \$367,228,033 to \$353,057,729 from Federal Funds.

For the purpose of funding home health for the elderly, or other long-term care services.  
From \$3,461,078 to \$2,863,153 from General Revenue Fund.  
From \$6,170,739 to \$5,148,490 from Federal Funds.  
From \$598,803,730 to \$574,724,876 in total for the section.

Section 11.490

I hereby veto \$4,734,190, including \$2,535,840 general revenue, including \$1,600,000 for a long-term care rate increase, \$1,884,190 for helicopter emergency medical services, and \$1,250,000 for the Community Health Access Programs (CHAPs).

For funding all other non-institutional services.  
From \$82,998,355 to \$81,712,515 from General Revenue Fund.  
From \$180,682,390 to \$178,484,040 from Federal Funds.

For the purpose of providing state matching funds for Community Health Access Programs (CHAPs).  
From \$1,250,000 to \$0 from General Revenue Fund.  
From \$329,819,355 to \$325,085,165 in total for the section.

Section 11.492

I hereby veto \$1,433,057 including \$528,870 general revenue for complex rehabilitation technology items.

From \$5,218,510 to \$4,689,640 from General Revenue Fund.  
From \$8,921,877 to \$8,017,690 from Federal Funds.  
From \$14,140,387 to \$12,707,330 in total for the section.

#### Section 11.510

I hereby veto \$900,000, including \$450,000 general revenue, including \$400,000 for the in-home telemonitoring program, \$300,000 for the pager pilot project, and \$200,000 for the diabetic telemonitoring program.

For a community-based care coordinating program that includes in-home visits and/or phone contact by a nurse care manager or electronic monitor.

From \$200,000 to \$0 from General Revenue Fund.

From \$400,000 to \$200,000 from Federal Funds.

For continuing funding of the pager project facilitating medication compliance.

From \$150,000 to \$0 from General Revenue Fund.

From \$365,000 to \$215,000 from Federal Funds.

For the purpose of funding a targeted program to manage the diabetic population in Southwest Missouri.

From \$100,000 to \$0 from General Revenue Fund.

From \$100,000 to \$0 from Federal Funds.

From \$800,960,069 to \$800,060,069 in total for the section.

#### Section 11.527

I hereby veto \$2,500,000 including \$250,000 general revenue for a medical and behavioral health home pilot project for foster care in the St. Louis region.

Said section is vetoed in its entirety.

From \$250,000 to \$0 from General Revenue Fund.

From \$2,250,000 to \$0 from Federal Funds.

From \$2,500,000 to \$0 in total for the section.

#### Section 11.528

I hereby veto \$5,240,330 including \$524,033 general revenue for asthma related services.

Said section is vetoed in its entirety.

From \$524,033 to \$0 from General Revenue Fund.

From \$4,716,297 to \$0 from Federal Funds.

From \$5,240,330 to \$0 in total for the section.

Section 11.529

I hereby veto \$5,000,000 including \$500,000 general revenue for a Regional Care Coordination Model.

Said section is vetoed in its entirety.

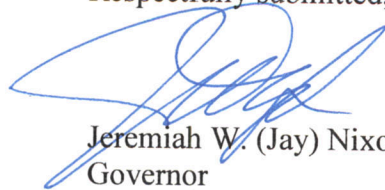
From \$500,000 to \$0 from General Revenue Fund.

From \$4,500,000 to \$0 from Federal Funds.

From \$5,000,000 to \$0 in total for the section.

On June 24, 2014, I approved said Conference Committee Substitute for Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 2011, except for those items specifically vetoed and not approved.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jay Nixon", is written over the printed name and title.

Jeremiah W. (Jay) Nixon  
Governor