



GOVERNOR OF MISSOURI

JEFFERSON CITY

65102

JEREMIAH W. (JAY) NIXON
GOVERNOR

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June 24, 2014

TO THE SECRETARY OF STATE OF THE STATE OF MISSOURI

Herewith I return to you Senate Committee Substitute for House Committee Substitute for House Bill No. 2021 entitled:

AN ACT

To appropriate money for purposes for the several departments and offices of state government; for planning and capital improvements including but not limited to major additions and renovations, new structures, and land improvements or acquisitions, from the funds herein designated for the fiscal period beginning July 1, 2014 and ending June 30, 2015.

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 21.005

I hereby veto \$7,500,000 Surplus Revenue Fund for the purchase of voting machines for county clerk operations.

Said section is vetoed in its entirety from \$7,500,000 to \$0 from Surplus Revenue Fund. From \$7,500,000 to \$0 in total for the section.

Section 21.045

I hereby veto \$2,766,000 Higher Education Capital Fund for planning, design, renovation, and construction of fine and performing arts facilities on the University of Missouri-Columbia campus.

Said section is vetoed in its entirety from \$2,766,000 to \$0 Higher Education Capital Fund. From \$2,766,000 to \$0 in total for the section.

Section 21.050

I hereby veto \$1,500,000 Higher Education Capital Fund for planning, design, renovation, and construction of a teaching and research winery addition on the University of Missouri-Columbia campus.

Said section is vetoed in its entirety from \$1,500,000 to \$0 Higher Education Capital Fund. From \$1,500,000 to \$0 in total for the section.

Section 21.055

I hereby veto \$1,000,000 Higher Education Capital Fund for planning, design, renovation, and construction of the Vashon Center at Harris-Stowe State University.

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

Section 21.060

I hereby veto \$2,800,000 Higher Education Capital Fund for planning, design, renovation, and construction of a campus recreation center at Lincoln University.

Said section is vetoed in its entirety from \$2,800,000 to \$0 Higher Education Capital Fund. From \$2,800,000 to \$0 in total for the section.

Section 21.085

I hereby veto \$2,000,000 Higher Education Capital Fund for planning, design, renovation, and construction of student success centers at Metropolitan Community College.

Said section is vetoed in its entirety from \$2,000,000 to \$0 Higher Education Capital Fund. From \$2,000,000 to \$0 in total for the section.

Section 21.090

I hereby veto \$4,175,000 Higher Education Capital Fund for planning, design, renovation, and construction of an automotive and metal technology center at State Fair Community College.

Said section is vetoed in its entirety from \$4,175,000 to \$0 Higher Education Capital Fund. From \$4,175,000 to \$0 in total for the section.

Section 21.095

I hereby veto \$375,000 Higher Education Capital Fund for planning, design, renovation, and construction of the corridors and common space at the Cassville campus of Crowder College.

Said section is vetoed in its entirety from \$375,000 to \$0 Higher Education Capital Fund.
From \$375,000 to \$0 in total for the section.

Section 21.100

I hereby veto \$5,666,046 Higher Education Capital Fund for planning, design, renovation, and construction of an eastern campus for Three Rivers Community College.

Said section is vetoed in its entirety from \$5,666,046 to \$0 Higher Education Capital Fund.
From \$5,666,046 to \$0 in total for the section.

Section 21.110

I hereby veto \$20,282,046 Surplus Revenue Fund for transfer to the Higher Education Capital Fund.

Said section is vetoed in its entirety from \$20,282,046 to \$0 from Surplus Revenue Fund.
From \$20,282,046 to \$0 in total for the section.

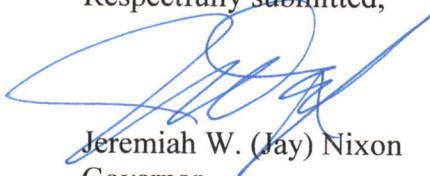
Section 21.155

I hereby veto \$200,000 general revenue for surface water improvements and construction of a water reservoir in Caldwell County.

Said section is vetoed in its entirety from \$200,000 to \$0 from General Revenue Fund.
From \$200,000 to \$0 in total for the section.

On June 24, 2014, I approved said Senate Committee Substitute for House Committee Substitute for House Bill No. 2021, except for those items specifically vetoed and not approved.

Respectfully submitted,



Jeremiah W. (Jay) Nixon
Governor