STATE OF WEST VIRGINIA
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EARL RAY TOMBLIN
GOVERNOR

June 8, 2016

VIA HAND DELIVERY

The Honorable Tim Armstead
Speaker, West Virginia House of Delegates
Room 228M, Building 1
State Capitol Complex
1900 Kanawha Blvd., East
Charleston, West Virginia 25305

Re: Enrolled Committee Substitute for House Bill 101

Dear Speaker Armstead:

Pursuant to section fifty-one, article VI of the Constitution of West Virginia, I hereby veto—in its entirety—the Enrolled Committee Substitute for House Bill 101 (the "Budget Bill").

When I convened the West Virginia Legislature in Extraordinary Session last month, I submitted a Budget Bill for fiscal year 2017 that not only was balanced, but fiscally sound and forward-looking. My Budget Bill acknowledged the reality that we must downsize state government sensibly and increase state revenues if West Virginia is to remain a torchbearer of fiscal responsibility. My Budget Bill therefore cut, in targeted fashion, $86,000,000 from the annual base budget structure that operates state government. But it also strengthened the foundation of that structure by proposing essential, on-going revenue enhancements. These components of my Budget Bill would have closed next year's projected shortfall of approximately $270,000,000 and put West Virginia in good stead moving forward.

Significantly, my Budget Bill did not raid one penny from the Revenue Shortfall Reserve Fund ("Rainy Day Fund"). The Rainy Day Fund is a tool to help the state weather the unanticipated revenue shortfalls that occur from time to time; its principal balance should not be invaded, to any great degree, to backfill a budget that is structurally unsound for lack of revenue. Further, a robust Rainy Day Fund supports our competitive bond ratings on Wall Street. It would be reckless and irresponsible to deplete substantially our Rainy Day Fund and jeopardize

our bond ratings simply because we wish to avoid or delay taking necessary action to enhance revenues.

The Budget Bill the West Virginia Legislature has presented for my signature bears no resemblance to my responsible proposal of a month ago. Among other reckless measures, the Legislature's Budget Bill uses $292,000,000 in "one-time" line items, including spending approximately $190,000,000 from the Rainy Day Fund, to "balance" the 2017 fiscal year budget. The Legislature's Budget Bill, moreover, includes $0 in revenue enhancements to the annual base budget structure. As a consequence, the Legislature's Budget Bill fails to remedy, to any extent, the structural imbalance in our state budget. Signing this misguided blueprint into law would expose West Virginia to projected budget gaps of at least $380,000,000 in both fiscal years 2018 and 2019. I believe the Legislature should address our very real structural budget problem now, rather than saddle the next administration with an even greater deficit.

In light of the foregoing, I hereby veto the Budget Bill in its entirety. In issuing this veto, I urge the Legislature—in the strongest of terms—to return to the Capitol immediately and work with me to tailor a responsible Budget Bill for fiscal year 2017. With the specter of a July 1, 2016, government shutdown looming, time is of the essence. Nevertheless, time remains for compromise and responsible action. I respectfully request the Legislature to achieve compromise and take responsible action.

Sincerely,

Earl Ray Tomblin
Governor

cc: The Hon. William P. Cole III
President of the Senate

The Hon. Natalie E. Tennant
Secretary of State