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Mike Kehoe

GOVERNOR
STATE OF MISSOURI

June 30, 2025

TO THE SECRETARY OF STATE
OF THE STATE OF MISSOURI
103rd GENERAL ASSEMBLY
FIRST REGULAR SESSION

Herewith I return to you Conference Committee Substitute for Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 2 entitled:

AN ACT

To appropriate money for the expenses, grants, refunds, and distributions of the State Board of Education and the Department of Elementary and Secondary Education, 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, 2025, and ending June 30, 2026.

In the FY 2026 budget approved by the General Assembly, nearly \$775 million, including \$297 million for the foundation formula, in new general revenue spending was added above what was included in our FY 2026 budget recommendation. Additionally, according to fiscal forecasts, the current trajectory of state-level spending and revenues projects a budget shortfall starting in FY 2027. A course correction in State finances is not only warranted but will be constitutionally required to achieve a balanced budget in future years and safeguard Missouri's financial security and AAA bond rating moving forward. While these may be worthwhile projects, due to the aforementioned reasons, we must control new spending and cannot prudently justify the following expenditures at this time.

This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Section 2.020

I hereby veto \$1,829,350, including \$1,815,177 general revenue, for State Board of Education operated school programs' salary increases. In the FY 2026 budget approved by the General Assembly, nearly \$775 million, including \$297 million for the foundation formula, in new general revenue spending was added above what was included in our FY 2026 budget recommendation. Additionally, according to fiscal forecasts, the current trajectory of state-level spending and revenues projects a budget shortfall starting in FY 2027. A course correction in State finances is not only warranted but will be constitutionally required to achieve a balanced budget in future years and safeguard Missouri's financial security and AAA bond rating moving forward. While these may be worthwhile projects, due to the aforementioned reasons, we must control new spending and cannot prudently justify the following expenditures at this time.

Remaining funding will still provide a 7.5% increase for teachers and 5% increase for administrative staff over FY 2025. This will be in addition to the Governor's recommended time of service pay increase which was already included in the budget.

Personal Service by \$1,815,177 from \$37,440,655 to \$35,625,478 from General Revenue Fund.
From \$56,842,600 to \$55,027,423 in total from General Revenue Fund.

Personal Service by \$14,173 from \$957,447 to \$943,274 from Elementary and Secondary Education – Federal Revenue Fund.

From \$10,971,538 to \$10,957,365 in total from Elementary and Secondary Education – Federal Fund.

From \$69,690,493 to \$67,861,143 in total for the section.

Section 2.045

I hereby veto \$2,000,000 general revenue for a chemistry and physical science online learning platform for middle and high school students. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Given the State's historic investments in education this year, it is incumbent upon local school districts to prioritize the use of their resources for this type of programming as they deem appropriate and necessary.

This program was previously funded with one-time federal relief funds. It is this Administration's intent to limit any State general revenue pick-ups of programs that were funded with one-time federal relief funds.

For the procurement of a chemistry and physical science online learning platform for middle and high school students.

From \$2,000,000 to \$0 from General Revenue.

From \$65,532,864 to \$63,532,864 in total for the section.

Section 2.053

I hereby veto \$1,500,000 general revenue for grants to public schools to acquire new or replace buses. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Given the State's historic investments in education this year, it is incumbent upon local school districts to prioritize the use of their resources for this type of programming as they deem appropriate and necessary.

This will still provide \$1,500,000 in additional funding.

From \$3,000,000 to \$1,500,000 from General Revenue Fund.

From \$3,000,000 to \$1,500,000 in total for the section.

Section 2.068

I hereby veto \$500,000 general revenue for a non-profit organization in Columbia to provide professional development to educators. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Given the State's historic investments in education this year, it is incumbent upon local school districts to prioritize the use of their resources for this type of programming as they deem appropriate and necessary.

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 2.073

I hereby veto \$400,000 general revenue for lead and asbestos abatement at the Rabbit Hole museum experience. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

This is a local responsibility with minimal statewide impact. Other funding mechanisms should be pursued in lieu of earmarked State funding for this project.

Said section is vetoed in its entirety from \$400,000 to \$0 from General Revenue Fund.

From \$400,000 to \$0 in total for the section.

Section 2.078

I hereby veto \$250,000 general revenue for tutoring and educational enrichment in support of science, technology, engineering, and math in Kansas City. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

The State funded this project last fiscal year with the intention that it was a one-time investment.

Said section is vetoed in its entirety from \$250,000 to \$0 from General Revenue Fund.
From \$250,000 to \$0 in total for the section.

Section 2.086

I hereby veto \$500,000 general revenue for the Missouri STEM Initiative for the design, supplies, machines, furniture, training, and curriculum for a STEM-focused program. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Given the State's historic investments in education this year, it is incumbent upon local school districts to prioritize the use of their resources for this type of programming as they deem appropriate and necessary.

This budget contains multiple other areas of funding for similar 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 2.099

I hereby veto \$400,000 general revenue for a non-profit organization to provide funding for school improvements. This is a private responsibility with minimal statewide impact. Other funding mechanisms should be pursued in lieu of earmarked State funding for this project.

Said section is vetoed in its entirety from \$400,000 to \$0 from General Revenue Fund.
From \$400,000 to \$0 in total for the section.

Section 2.105

I hereby veto \$250,000 general revenue for the Missouri Scholars and Fine Arts Academies. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

This budget already includes \$850,000 for these programs.

From \$1,100,000 to \$850,000 from General Revenue Fund.

From \$1,100,000 to \$850,000 in total for the section.

Section 2.107

I hereby veto \$198,000 general revenue for expansion of the Arts as Mentorship KC program. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

This is a local responsibility with minimal statewide impact. Other funding mechanisms should be pursued in lieu of earmarked State funding for this program.

Said section is vetoed in its entirety from \$198,000 to \$0 from General Revenue Fund.

From \$198,000 to \$0 in total for the section.

Section 2.113

I hereby veto \$500,000 general revenue for safe schools programs. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Given the State's historic investments in education this year, it is incumbent upon local school districts to prioritize the use of their resources for this type of programming as they deem appropriate and necessary.

This will still provide \$500,000 in additional funding.

From \$1,000,000 to \$500,000 from General Revenue Fund.

From \$1,000,000 to \$500,000 in total for the section.

Section 2.157

I hereby veto \$1,500,000 general revenue for the planning, design, maintenance, construction, or repair of an outdoor track for the Houston R-1 School District. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Given the State's historic investments in education this year, it is incumbent upon local school districts to prioritize the use of their resources for this type of programming as they deem appropriate and necessary.

This is a local responsibility with minimal statewide impact. Other funding mechanisms should be pursued in lieu of earmarked State funding for this project.

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

Section 2.162

I hereby veto \$300,000 general revenue for the Council of Churches of the Ozarks. This item appears to duplicate an item added in HB 11 from Temporary Assistance for Needy Families Federal funding.

Said section is vetoed in its entirety from \$300,000 to \$0 from General Revenue Fund.
From \$300,000 to \$0 in total for the section.

Section 2.164

I hereby veto \$90,000 general revenue for a non-profit organization in Kansas City for K-12 career literacy resources for students. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

This budget contains multiple other areas of funding for similar programs.

Said section is vetoed in its entirety from \$90,000 to \$0 from General Revenue Fund.
From \$90,000 to \$0 in total for the section.

Section 2.168

I hereby veto \$3,000,000 general revenue for the collaborative initiative program connecting the Missouri public school community. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Given the State's historic investments in education this year, it is incumbent upon local school districts to prioritize the use of their resources for this type of programming as they deem appropriate and necessary.

This budget contains multiple other areas of funding for similar programs.

Said section is vetoed in its entirety from \$3,000,000 to \$0 from General Revenue Fund.
From \$3,000,000 to \$0 in total for the section.

Section 2.172

I hereby veto \$500,000 general revenue for the Sikeston Career and Technical Center. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Given the State's historic investments in education this year, it is incumbent upon local school districts to prioritize the use of their resources for this type of programming as they deem appropriate and necessary.

This will still provide \$500,000 in additional funding.

From \$1,000,000 to \$500,000 from General Revenue Fund.

From \$1,000,000 to \$500,000 in total for the section.

Section 2.203

I hereby veto \$2,500,000 general revenue for a reading literacy program in St. Louis City. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Given the State's historic investments in education this year, it is incumbent upon local school districts to prioritize the use of their resources for this type of programming as they deem appropriate and necessary.

This budget contains multiple other areas of funding for similar programs.

Said section is vetoed in its entirety from \$2,500,000 to \$0 from General Revenue Fund.

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

Section 2.232

I hereby veto \$275,000 general revenue for character education initiatives. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Given the State's historic investments in education this year, it is incumbent upon local school districts to prioritize the use of their resources for this type of programming as they deem appropriate and necessary.

This will still provide \$250,000 in additional funding.

From \$525,000 to \$250,000 in total from General Revenue Fund.

From \$525,000 to \$250,000 in total for the section.

Section 2.255

I hereby veto \$3,200,000, including \$1,600,000 general revenue, for Teacher Recruitment and Retention State Scholarships. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

This budget already includes \$800,000 for this program.

Funds are to be transferred out of the State Treasury to the Teacher Recruitment and Retention State Scholarship Fund.

From \$1,600,000 to \$0 from General Revenue Fund.

For the Teacher Recruitment and Retention State Scholarship Program.

From \$2,400,000 to \$800,000 from Teacher Recruitment and Retention State Scholarship Fund.

From \$4,800,000 to \$1,600,000 in total for the section.

Section 2.256

I hereby veto \$2,500,000 general revenue for Grow Your Own grants. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Given the State's historic investments in education this year, it is incumbent upon local school districts to prioritize the use of their resources for this type of programming as they deem appropriate and necessary.

Said section is vetoed in its entirety.

For community colleges.

From \$225,000 to \$0 from General Revenue Fund.

For educator preparation programs.

From \$675,000 to \$0 from General Revenue Fund.

For local education agencies.

From \$1,600,000 to \$0 from General Revenue Fund.

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

Section 2.285

I hereby veto \$2,000,000 general revenue for the Workforce Diploma Program. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next

largest annual increase for this iteration of the formula.

This budget already includes \$2,000,000 for this program.

From \$4,000,000 to \$2,000,000 from General Revenue Fund.

From \$4,000,000 to \$2,000,000 in total for the section.

Section 2.286

I hereby veto \$2,000,000 general revenue for a classroom to a career project. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

The introduction of new programs and services supported by State funding should be limited as much as possible at this time.

Said section is vetoed in its entirety from \$2,000,000 to \$0 from General Revenue Fund.

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

Section 2.327

I hereby veto \$1,000,000 general revenue for revitalization of the Kansas City Public Library. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

This is a local responsibility with minimal statewide impact. Other funding mechanisms should be pursued in lieu of earmarked State funding for this project.

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 2.387

I hereby veto \$1,295,000 general revenue for a vendor contract to provide asthma and allergy treatment medication to public schools. This budget includes historic funding for public education, totaling over \$4 billion, including half a billion dollars in new funding over the prior fiscal year and a nearly \$377 million increase over the next largest annual increase for this iteration of the formula.

Given the State's historic investments in education this year, it is incumbent upon local school districts to prioritize the use of their resources for this type of programming as they deem appropriate and necessary.

Said section is vetoed in its entirety from \$1,295,000 to \$0 from General Revenue Fund.

From \$1,295,000 to \$0 in total for the section.

Section 2.430

I hereby veto \$2,000,000 general revenue for charter public school capital improvement revolving loans. In the FY 2026 budget approved by the General Assembly, nearly \$775 million, including \$297 million for the foundation formula, in new general revenue spending was added above what was included in our FY 2026 budget recommendation. Additionally, according to fiscal forecasts, the current trajectory of state-level spending and revenues projects a budget shortfall starting in FY 2027. A course correction in State finances is not only warranted but will be constitutionally required to achieve a balanced budget in future years and safeguard Missouri's financial security and AAA bond rating moving forward. While this may be a worthwhile project, due to the aforementioned reasons, we must control new spending and cannot prudently justify this expenditure at this time.

The introduction of new programs and services supported by State funding should be limited as much as possible at this time.

This will still provide \$8,000,000 in additional funding.

From \$10,000,000 to \$8,000,000 from General Revenue Fund.

From \$10,000,000 to \$8,000,000 in total for the section.

On June 30, 2025 I approved said Conference Committee Substitute for Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 2 , except for those items specifically vetoed and not approved.

Respectfully submitted

A handwritten signature in dark ink, appearing to read "Mike Kehoe", with a long horizontal flourish extending to the right.

Mike Kehoe
Governor