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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 Committee Substitute for House Committee Substitute for House Bill No. 3 entitled:

AN ACT

To appropriate money for the expenses, grants, refunds, and distributions of the Department of Higher Education and Workforce Development, the several divisions, programs, and institutions of higher education included therein 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 3.013

I hereby veto \$1,000,000 general revenue for a third-party vendor contract to develop a statewide campaign to reach, reengage, and support some college, no credential population in the state. 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 \$1,000,000 to \$0 from General Revenue Fund. From \$1,000,000 to \$0 in total for the section.

Section 3.103

I hereby veto \$1,386,596 general revenue for the Missouri Returning Heroes Program. This veto will not impact the tuition paid by veterans who qualify for the Returning Heroes program in any way.

Said section is vetoed in its entirety from \$1,386,596 to \$0 from General Revenue Fund. From \$1,386,596 to \$0 in total for the section.

Section 3.138

I hereby veto \$150,000 general revenue for enhancements to a nursing program at Missouri Southern State University. 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 expansion of existing 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 \$150,000 to \$0 from General Revenue Fund. From \$150,000 to \$0 in total for the section.

Section 3.206

I hereby veto \$100,000 general revenue for a program based in St. Louis County that helps students navigate the college admissions and financial aid process. 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 \$100,000 to \$0 from General Revenue Fund.
From \$100,000 to \$0 in total for the section.

Section 3.210

I hereby veto \$500,000 general revenue for a non-profit organization in St. Louis City to provide cost-free education, training and apprenticeships for computer programming. This budget already includes \$500,000 for this program.

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

For a non-profit organization, located in St. Louis City to provide cost-free education, training and apprenticeships for computer programming.

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

I hereby veto \$1,500,000 general revenue for a non-profit organization in Cape Girardeau and Springfield to provide cost-free education, training and apprenticeships for computer programming. This budget already includes \$500,000 for this program.

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

For a non-profit organization, located in Cape Girardeau and Springfield to provide cost-free education, training and apprenticeships for computer programming.

From \$2,000,000 to \$500,000 from General Revenue Fund.

I hereby veto \$300,000 general revenue for a Pre-Apprenticeship program for entry into construction contractor apprenticeships. The State funded this project last fiscal year with the intention that it was a one-time investment.

For a Pre-Apprenticeship program to assist minorities and women in the preparation for entry into construction contractor sponsored apprenticeship programs.

From \$300,000 to \$0 from General Revenue Fund.

I hereby veto \$400,000 general revenue for a Workforce Pre-Apprenticeship training in Kansas City. This budget contains multiple other areas of funding for similar programs.

This will still provide \$1,600,000 in additional funding.

For a Workforce Pre-Apprenticeship training in Kansas City.

From \$2,000,000 to \$1,600,000 from General Revenue Fund.

I hereby veto \$1,750,000 general revenue for Strategic Workforce Development in Kansas City. 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.

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

For the acquisition, renovation, planning, design, equipment, furniture, programs, and services for a non-profit organization established in 2018.

From \$2,500,000 to \$750,000 from General Revenue Fund.

I hereby veto \$250,000 general revenue for Pre-Apprenticeship Tactical Training School. This budget contains multiple other areas of funding for similar programs.

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

To an existing high quality pre-apprenticeship program that is a bridge to direct entry into a United States Department of Labor approved skilled trades apprenticeship program.

From \$500,000 to \$250,000 from General Revenue Fund.

From \$49,056,522 to \$44,356,522 in total for the section.

Section 3.400

I hereby veto \$2,675,847 general revenue for core increases to community colleges. 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 Governor's Recommended budget included a 1.5% core increase for higher education institutions.

For distribution to community colleges as provided in Section 163.191, RSMo.

From \$158,810,531 to \$156,134,684 from General Revenue Fund.

From \$186,741,256 to \$184,065,409 in total for the section.

Section 3.402

I hereby veto \$5,000,000 general revenue for Mineral Area College. The introduction of new programs and services supported by State funding should be limited as much as possible at this time.

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.

Said section is vetoed in its entirety from \$5,000,000 to \$0 from General Revenue Fund.
From \$5,000,000 to \$0 in total for the section.

Section 3.403

I hereby veto \$2,000,000 general revenue for Metropolitan Community College. The introduction of new programs and services supported by State funding should be limited as much as possible at this time.

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.

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 3.405

I hereby veto \$139,923 general revenue for a core increase at State Technical College of Missouri. 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 Governor's Recommended budget included a 1.5% core increase for higher education institutions.

I hereby veto \$400,000 general revenue for an increase to State Technical College of Missouri. The introduction of new programs and services supported by State funding should be limited as much as possible at this time.

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.

To the State Technical College of Missouri.
From \$9,571,816 to \$9,031,893 from General Revenue Fund.
From \$10,140,033 to \$9,600,110 in total for the section.

Section 3.410

I hereby veto \$999,925 general revenue for a core increase to the University of Central Missouri. 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 Governor's Recommended budget included a 1.5% core increase for higher education institutions.

To the University of Central Missouri.
From \$62,610,582 to \$61,610,657 from General Revenue Fund.
From \$68,986,541 to \$67,986,616 in total for the section.

Section 3.415

I hereby veto \$828,991 general revenue for a core increase to Southeast Missouri State University. 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 Governor's Recommended budget included a 1.5% core increase for higher education institutions.

To Southeast Missouri State University.

From \$51,988,317 to \$ 51,159,326 from General Revenue Fund.

I hereby veto \$500,000 general revenue for the Boys and Girls Club in Malden. This is a local responsibility with minimal statewide impact. Other funding mechanisms should be pursued in lieu of earmarked State funding for this project.

For a non-profit organization that enable all young people to reach their full potential.

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

From \$58,199,074 to \$56,870,083 in total for the section.

Section 3.420

I hereby veto \$1,698,495 general revenue for a core increase to Missouri State University. 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 Governor's Recommended budget included a 1.5% core increase for higher education institutions.

To Missouri State University.

From \$106,959,899 to \$105,261,404 from General Revenue Fund.

I hereby veto \$600,000 general revenue for a statewide science and engineering fair. The introduction of new programs and services supported by State funding should be limited as much as possible at this time.

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.

For the establishment and implementation of a statewide science and engineering fair.
From \$600,000 to \$0 from General Revenue Fund.

From \$117,980,018 to \$115,681,523 in total for the section.

Section 3.425

I hereby veto \$540,085 general revenue for a core increase to Lincoln University. 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 Governor's Recommended budget included a 1.5% core increase for higher education institutions.

To Lincoln University.
From \$22,276,873 to \$21,926,034 from General Revenue Fund.

For the purpose of funding the 1890 land grant match
From \$10,145,500 to \$9,997,749 from General Revenue Fund.

For the purpose of funding the 1890 institutional support
From \$2,849,342 to \$2,807,847 from General Revenue Fund.

From \$37,285,787 to \$36,745,702 in total for the section.

Section 3.430

I hereby veto \$752,756 general revenue for a core increase to Truman State University. 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 Governor's Recommended budget included a 1.5% core increase for higher education institutions.

To Truman State University.

From \$47,113,083 to \$46,360,327 from General Revenue Fund.

From \$52,464,248 to \$51,711,492 in total for the section.

Section 3.435

I hereby veto \$563,498 general revenue for a core increase to Northwest Missouri State University. 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 Governor's Recommended budget included a 1.5% core increase for higher education institutions.

To Northwest Missouri State University.

From \$35,350,837 to \$34,787,339 from General Revenue Fund.

From \$38,943,577 to \$38,380,079 in total for the section.

Section 3.440

I hereby veto \$469,066 general revenue for a core increase to Missouri Southern State University. 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 Governor's Recommended budget included a 1.5% core increase for higher education institutions.

To Missouri Southern State University.

From \$29,777,717 to \$29,308,651 from General Revenue Fund.

From \$32,409,228 to \$31,940,162 in total for the section.

Section 3.445

I hereby veto \$401,974 general revenue for a core increase to Missouri Western State University. 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 Governor's Recommended budget included a 1.5% core increase for higher education institutions.

To Missouri Western State University.

From \$25,207,910 to \$24,805,936 from General Revenue Fund.

From \$27,927,237 to \$27,525,263 in total for the section.

Section 3.450

I hereby veto \$189,023 general revenue for a core increase to Harris-Stowe State University. 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 Governor's Recommended budget included a 1.5% core increase for higher education institutions.

To Harris-Stowe State University.

From \$11,830,631 to \$11,641,608 from General Revenue Fund.

From \$13,679,610 to \$13,490,587 in total for the section.

Section 3.455

I hereby veto \$7,521,118 general revenue for a core increase to the University of Missouri. 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 Governor's Recommended budget included a 1.5% core increase for higher education institutions.

For operation of its various campuses and programs.

From \$251,656,079 to \$247,309,009 from General Revenue Fund.

For the purpose of funding the federal match requirement and the statewide operations in the areas of the Agricultural Extension Service.

From \$30,541,168 to \$30,169,209 from General Revenue Fund.

For the purpose of delivering first professional doctorate degrees.

From \$112,499,936 to \$110,934,403 from General Revenue Fund.

For research and development operations of the State's public research university.

From \$84,910,192 to \$83,673,636 from General Revenue Fund.

From \$529,745,123 to \$522,224,005 in total for the section.

Section 3.480

I hereby veto \$58,975 general revenue for a one-time equipment purchase for the State Historical Society. 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.

This will still provide \$58,975 in additional funding.

From \$4,800,622 to \$4,741,647 from General Revenue Fund.

From \$4,800,622 to \$4,741,647 in total for the section.

On June 30, 2025, I approved said Conference Committee Substitute for Senate Committee Substitute for House Committee Substitute House Bill No. 3, 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