STATE CAPITOL
201 W. CAPITOL AVENUE, ROOM 216
JEFFERSON CITY, MISSOURI 65101

(573) 751-3222
WWW.GOVERNOR.MO.GOV

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. 7 entitled:

AN ACT

To appropriate money for the expenses, grants, refunds, and distributions of the Department of Economic Development, Department of Commerce and Insurance, Department of Labor and Industrial Relations 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 7.006

I hereby veto $4,000,000 general revenue for the purpose of maintenance, repair, and upgrades to Route MM in Greene County. 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.

From $10,000,000 to $6,000,000 from General Revenue Fund.
From $10,000,000 to $6,000,000 in total for the section.

Section 7.015

I hereby veto $250,000 general revenue for the Park Central Development Corporation. 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 State funded this project last fiscal year with the intention that it was a one-time investment.

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

For a 501(c)(3) community development corporation that works to strengthen and attract investment.
From $250,000 to $0 from General Revenue Fund.
From $6,128,104 to $5,878,104 in total for the section.

Section 7.016

I hereby veto $2,000,000 general revenue for distribution to the St. Louis County Economic Development Partnership to demolish abandoned properties in Kinloch. 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 $2,000,000 in additional funding.

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 7.020

I hereby veto $6,500,000 general revenue for the Missouri Valley Youth Services. 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 State funded this project last fiscal year with the intention that it was a one-time investment.

For a non-profit organization that is organized exclusively for charitable, religious, educational, and scientific youth services.
From $6,500,000 to $0 from General Revenue Fund.

I hereby veto $4,000,000 general revenue for a nonprofit organization in Boone County for the planning, design, and construction of a sports park and demolition of current structures on the planned development site. 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 $8,000,000 in additional funding.

For a non-profit organization in Boone County for the planning, design, and construction of a sports park.
From $12,000,000 to $8,000,000 from General Revenue Fund.

I hereby veto $2,500,000 general revenue for the Great Rivers Greenway in the St. Louis region. 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 State funded this project last fiscal year with the intention that it was a one-time investment.

For a public agency governed by a 12-member appointed board with the mission to make the St. Louis region a more vibrant place to live, work and play.
From $2,500,000 to $0 from General Revenue Fund.

I hereby veto $250,000 general revenue for the Stronger Together Foundation in Columbia. 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 a non-profit organization located in Columbia that creates opportunities for youth in the community through sports and activities.
From $250,000 to $0 from General Revenue Fund.

I hereby veto $500,000 general revenue for an urban amphitheater that hosts Shakespeare festivals St. Louis 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.

Funding priorities of the region should be reassessed given the recent storm damage.

For an urban amphitheater that hosts Shakespeare festivals.
From $500,000 to $0 from General Revenue Fund.

I hereby veto $250,000 general revenue for the Gateway Arch Park Foundation in St. Louis 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 will still provide $250,000 in additional funding.

For a 501(c)(3) non-profit organization in St. Louis City that ensures grounds of the area, neighboring public spaces and attractions will be a vital, welcoming, and well-supported resource for the community and nation for generations to come.
From $500,000 to $250,000 from General Revenue Fund.

From $56,750,000 to $42,750,000 in total for the section.

Section 7.030

I hereby veto $5,000,000 general revenue for the Keystone Innovation District organization 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.

For an independent 501(c)(3) non-profit organization in Kansas City that catalyzes economic development.
From $5,000,000 to $0 from General Revenue Fund.

I hereby veto $1,750,000 general revenue for the St. Louis Advanced Manufacturing and Innovation Center in St. Louis 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 will still provide $2,000,000 in additional funding.

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

For an organization that supports workforce integration and programming activities.
From $3,750,000 to $2,000,000 from General Revenue Fund.

I hereby veto $1,000,000 general revenue for the Future Leaders Outreach Network for planning, design, administration, purchase, construction, renovations, and capital improvements for a building and purchasing the necessary equipment, technology, furniture, and materials. 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 planning, design, administration, purchase, construction, renovations, and capital improvements for a building and purchasing the necessary equipment, technology, furniture, and materials for non-traditional students.

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

From $10,100,000 to $2,350,000 in total for the section.

Section 7.070

I hereby veto $250,000 Economic Development Advancement Fund for the Missouri Main Street Program. The Economic Development Advancement Fund cannot support this proposed increase in authority at this time.

From $1,700,000 to $1,450,000 from Economic Development Advancement Fund.
From $1,700,000 to $1,450,000 in total for the section.

Section 7.130

I hereby veto $2,000,000 general revenue for promoting Missouri hardwood forest products and to educate the public on the value and benefit of such products. 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 State funded this project last fiscal year with the intention that it was a one-time investment.

For the purpose of promoting Missouri hardwood forest products and to educate the public on the value and benefit of such products.
From $2,000,000 to $0 from General Revenue Fund.
From $3,465,797 to $1,465,797 in total for the section.

Section 7.490

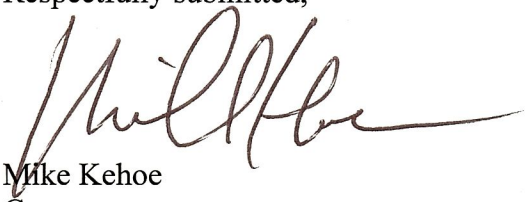
I hereby veto $4,000,000 general revenue for competitive grants to eligible institutions of higher education through the Nursing Education Incentive Program. In the FY 2026 budget approved by the General Assembly, nearly $775 million, including $297 million for the foundation formula, in new general 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 State funded this project last fiscal year with the intention that it was a one-time investment.

For competitive grants to eligible institutions of higher education.
From $5,000,000 to $0 from General Revenue Fund.
From $10,328,172 to $6,328,172 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. 7, except for those items specifically vetoed and not approved.

Respectfully submitted,



Mike Kehoe
Governor