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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. 10 entitled:

AN ACT

To appropriate money for the expenses, grants, refunds, and distributions of the Department of Mental Health, the Department of Health and Senior Services, and the several divisions and programs thereof, and the Missouri Health Facilities Review Committee 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.

RECEIVED
JUN 30 2025
CHIEF CLERK

Section 10.096

I hereby veto \$2,500,000 general revenue for the planning, design, construction, expansion, and operation of a children's behavioral health hospital and outpatient treatment center. 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 \$7,500,000 in additional funding.

From \$10,000,000 to \$7,500,000 from General Revenue fund.

From \$10,000,000 to \$7,500,000 in total for the section.

Section 10.105

I hereby veto \$2,510,730 Opioid Addiction Treatment and Recovery Fund for Heartland Center for Behavioral Change in Kansas City. This is a local responsibility with minimal statewide impact. Local governments received approximately \$88.3 million dollars in opioid settlement funding. Other funding mechanisms should be pursued in lieu of state funding.

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

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

For distribution to a non-profit located in Kansas City, founded in 1982.

From \$2,510,730 to \$0 from Opioid Addiction Treatment and Recovery Fund.

I hereby veto \$1,000,000 Opioid Addiction Treatment and Recovery Fund for the Independence Fire Department. This is a local responsibility with minimal statewide impact. Local governments received approximately \$88.3 million dollars in opioid settlement funding. Other funding mechanisms should be pursued in lieu of state funding.

For distribution to a fire department located in Independence.

From \$1,000,000 to \$0 from Opioid Addiction Treatment and Recovery Fund.

From \$34,467,205 to \$30,956,475 in total for the section.

Section 10.112

I hereby veto \$200,000 Opioid Addiction Treatment and Recovery Fund for The Embassy in Pettis County. This is a local responsibility with minimal statewide impact. Local governments received approximately \$88.3 million dollars in opioid settlement funding. Other funding mechanisms should be pursued in lieu of state funding.

Said section is vetoed in its entirety from \$200,000 to \$0 from Opioid Addiction Treatment and Recovery Fund.

From \$200,000 to \$0 in total for the section.

Section 10.115

I hereby veto \$1 Department of Mental Health Federal Fund for treatment of alcohol and drug abuse. I also hereby veto the words “and provided that Medicaid CSTAR/CPR/CCBHO services shall not be capped and Medicaid supplemental shall be requested when necessary,”. The expansion of existing programs and services supported by State funding should be limited as much as possible at this time.

For treatment of alcohol and drug abuse.

From \$87,366,819 to \$87,366,818 from Department of Mental Health Federal Fund.

I hereby veto \$357,318 general revenue for comprehensive psychiatric services. This program was previously funded with federal grant funding. It is this Administration’s intent to limit any State general revenue pick-ups of programs that were funded with federal grant funding that is ending.

For comprehensive psychiatric services.

Expense and Equipment by \$357,318 from \$23,200,410 to \$22,843,092 from General Revenue Fund.

From \$24,775,356 to \$24,418,038 in total from General Revenue Fund.

I hereby veto \$1 Department of Mental Health Federal Fund for adult psychiatric services. I also hereby veto the words “and provided that Medicaid CSTAR/CPR/CCBHO services shall not be capped and Medicaid supplemental shall be requested when necessary,”. The expansion of existing programs and services supported by State funding should be limited as much as possible at this time.

For adult psychiatric services.

From \$53,653,579 to \$53,653,578 from Department of Mental Health Federal Fund.

I hereby veto \$3,000,000 general revenue for Compass Health. 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.

Funding for a non-profit health care organization that provides a full continuum of behavioral health services as well as primary and dental health services throughout Missouri.
From \$3,000,000 to \$0 from General Revenue Fund.

I hereby veto \$1 Department of Mental Health Federal Fund for youth psychiatric services. I also hereby veto the words "and provided that Medicaid CSTAR/CPR/CCBHO services shall not be capped and Medicaid supplemental shall be requested when necessary,". The expansion of existing programs and services supported by State funding should be limited as much as possible at this time.

For youth psychiatric services.
From \$6,923,542 to \$6,923,541 from Department of Mental Health Federal Fund.

I hereby veto \$4,000,000 general revenue for EEG-Guided Transcranial Magnetic Stimulation equipment. This will still provide \$2,000,000 in additional funding.

For the Division of Behavioral Health to implement the use of EEG-Guided Transcranial Magnetic Stimulation equipment for priority populations.
From \$4,000,000 to \$0 from General Revenue Fund.

From \$324,698,799 to \$317,341,478 in total for the section.

Section 10.130

I hereby veto \$1 Department of Mental Health Federal Fund for treatment of alcohol and drug abuse. I also hereby veto the words "and provided that Medicaid CSTAR/CPR/CCBHO services shall not be capped and Medicaid supplemental shall be requested when necessary,". The expansion of existing programs and services supported by State funding should be limited as much as possible at this time.

For treatment of alcohol and drug abuse.
From \$30,753,012 to \$30,753,011 from Department of Mental Health Federal Fund.

I hereby veto \$15,657,373, including \$3,000,000 general revenue, for additional behavioral health crisis centers. 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.

There are currently 22 behavioral health crisis centers operating statewide.

I hereby veto \$3,340,000 general revenue for crisis and open access 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.

This funding model is unsustainable as it is funded partially with one-time federal funding, but consists of ongoing costs.

I hereby veto \$1 Department of Mental Health Federal Fund. I also hereby veto the words "and provided that Medicaid CSTAR/CPR/CCBHO services shall not be capped and Medicaid supplemental shall be requested when necessary,". The expansion of existing programs and services supported by State funding should be limited as much as possible at this time.

For adult psychiatric services and community programs.

From \$193,752,996 to \$187,412,996 from General Revenue Fund.

From \$302,354,442 to \$301,897,068 from Department of Mental Health Federal Fund.

From \$14,144,319 to \$1,944,319 from Title XXI – Children's Health Insurance Program Federal Fund.

I hereby veto \$3,500,000 general revenue for matching funds to a Certified Community Behavioral Health Organization in Clay 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.

For matching funds to a Certified Community Behavioral Health Organization.
From \$3,500,000 to \$0 from General Revenue Fund.

I hereby veto \$7,175,000, including \$3,175,000 general revenue, for crisis and open access 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.

This funding model is unsustainable as it is funded partially with one-time federal funding, but consists of ongoing costs.

I hereby veto \$1 Department of Mental Health Federal Fund for youth psychiatric services and community programs. I also hereby veto the words "Medicaid CSTAR". The expansion of existing programs and services supported by State funding should be limited as much as possible at this time.

For youth psychiatric services and community programs.
From \$82,416,256 to \$79,241,256 from General Revenue fund.
From \$139,787,074 to \$139,787,073 from Department of Mental Health Federal Fund.
From \$36,827,613 to \$32,827,613 from Title XXI – Children's Health Insurance Program Federal Fund.

From \$841,415,933 to \$811,743,557 in total for the section.

Section 10.410

I hereby veto \$33,442,730, including \$11,764,706 general revenue, for Developmental Disabilities rate 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 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.

No provider rate increases are being considered at this time unless such increase is intended to address parity.

For community programs, including long-term care transformation initiatives and efforts for reimbursement of providers based on integration of key identified outcomes that produce value-based care delivery models to improve quality and efficiency of the total care delivered to individuals.

From \$947,146,107 to \$935,381,401 from General Revenue Fund.

From \$1,678,419,381 to \$1,656,741,357 from Department of Mental Health Federal Fund.

From \$2,676,984,043 to \$2,643,541,313 in total for the section.

Section 10.420

I hereby veto \$3,200,000 general revenue for Developmental Disabilities reimbursement of hospitals. 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 \$3,500,000 in additional funding.

From \$8,700,000 to \$5,500,000 from General Revenue Fund.

From \$8,700,000 to \$5,500,000 in total for the section.

Section 10.715

I hereby veto \$1,600,000 Healthy Families Trust Fund for tobacco addiction prevention. The Healthy Families Trust Fund is overappropriated.

From \$1,900,000 to \$300,000 from Healthy Families Trust Fund.

From \$1,900,000 to \$300,000 in total for the section.

Section 10.725

I hereby veto \$1,870,000 for point-of-care ultrasound technology. 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 organization received \$2.9 million in federal ARPA funding from the Department of Economic Development as part of the ARPA Workforce Training Grant Program.

For the expansion of medical training and support to healthcare professionals and first responders with the use of point-of-care ultrasound technology.

From \$1,870,000 to \$0 from General Revenue Fund.

From \$7,684,290 to \$5,814,290 in total for the section.

Section 10.745

I hereby veto \$300,000 general revenue for a Parkinson's Disease Registry. 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 University of Missouri to support the Parkinson's Disease Registry.

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

From \$7,014,278 to \$6,714,278 in total for the section.

Section 10.765

I hereby veto \$1,625,000 for a physician residency 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.

This will still provide \$1,625,000 in additional funding.

For the refurbishment of existing administration buildings for the purpose of creating a 166 physician residency program.

From \$3,250,000 to \$1,625,000 from General Revenue Fund.

From \$20,021,611 to \$18,396,611 in total for the section.

Section 10.770

I hereby veto \$200,000 for the Elks Mobile Dental Clinic. This budget already includes \$400,000 for this program.

For the Elks Mobile Dental Clinic

From \$600,000 to \$400,000 from General Revenue Fund.

From \$4,152,425 to \$3,952,425 in total for the section.

Section 10.780

I hereby veto \$100,000 Economic Development Advancement Fund for a statewide registry of doulas. This is not an allowable use of the Economic Development Advancement Fund.

For the implementation of a doula registration process.

From \$100,000 to \$0 from Economic Development Advancement Fund.

From \$21,975,180 to \$21,875,180 in total for the section.

Section 10.790

I hereby veto \$700,000 for Samuel Rodgers Federally Qualified Health Center. 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.

Federally Qualified Health Centers and Certified Community Behavioral Health Organizations received \$140 million in federal American Rescue Plan Act funding for improvement projects.

For an organization located in Kansas City that provides health education and accelerates emerging technology and opportunities in healthcare innovation.

From \$700,000 to \$0 from General Revenue Fund.

From \$5,778,280 to \$5,078,280 in total for the section.

Section 10.900

I hereby veto \$60,000 Department of Health and Senior Services Federal Fund for caregiver training and support. 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 program operations and support.

Personal Service by \$60,000 from \$16,491,266 to \$16,431,266 from Department of Health and Senior Services Federal Fund.

From \$18,112,591 to \$18,052,591 in total from the Department of Health and Senior Services Federal Fund.

From \$38,490,817 to \$38,430,817 in total for the section.

Section 10.905

I hereby veto \$949,000 general revenue for caregiver training and support. 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 customized statewide education, peer support and coaching platform.

From \$949,000 to \$0 from General Revenue Fund.

From \$9,275,470 to \$8,326,470 in total for the section.

Section 10.915

I hereby veto \$1,113,512, including \$393,560 general revenue, for a rate increase for home-delivered meals. 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 \$1,113,513, including \$393,560 general revenue, in additional funding.

Remaining funding will still enable an increase in rates for home-delivered meals of 7.5%.

From \$239,571,579 to \$239,178,019 from General Revenue Fund.

From \$372,590,645 to \$371,870,693 from Department of Health and Senior Services Federal Fund.

From \$612,162,224 to \$611,048,712 in total for the section.

Section 10.936

I hereby veto \$120,000 general revenue for the Columbia Housing Authority. 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 funding model is unsustainable as it is funded with one-time funding, but consists of ongoing costs.

Said section is vetoed in its entirety from \$120,000 to \$0 from General Revenue Fund.

From \$120,000 to \$0 in total for the section.

Section 10.1015

I hereby veto \$675,000 Opioid Addiction Treatment and Recovery Fund for Better Life in Recovery in Springfield. This is a local responsibility with minimal statewide impact. Local governments received approximately \$88.3 million dollars in opioid settlement funding. Other funding mechanisms should be pursued in lieu of state funding.

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

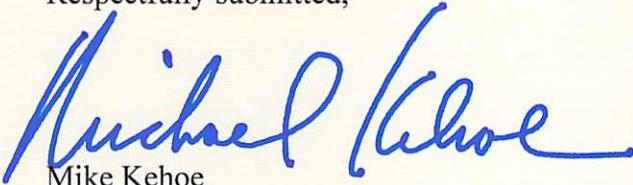
For funding an organization, located in Springfield, that works with individuals who struggle with substance use.

From \$675,000 to \$0 from Opioid Addiction Treatment and Recovery Fund.

From \$15,275,325 to \$14,600,325 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. 10, except for those items specifically vetoed and not approved.

Respectfully submitted,

A handwritten signature in blue ink that reads "Michael Kehoe". The signature is written in a cursive style with a large initial "M".

Mike Kehoe
Governor