

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 Committee Substitute for House Committee Substitute for House Bill No. 4 entitled:

AN ACT

To appropriate money for the expenses, grants, refunds, and distributions of the Department of Revenue, the Department of Transportation, 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.

RECEIVED
JUN 30 2025
CHIEF CLERK

Section 4.005

I hereby veto \$799,126 Motor Vehicle Administration Technology Fund for the Uninsured Motorist Program. This is not an allowable use of the Motor Vehicle Administration Technology Fund.

For collecting highway related fees and taxes.

Personal Service by \$54,126 from \$54,126 to \$0 from Motor Vehicle Administration Technology Fund.

Expense and Equipment by \$745,000 from \$745,000 to \$0 from Motor Vehicle Administration Technology Fund.

From \$799,126 to \$0 in total from Motor Vehicle Administration Technology Fund.

From \$37,088,083 to \$36,288,957 in total for the section.

Section 4.030

I hereby veto \$100,000 general revenue for the Rolling Stock Tax Credit 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 budget already includes \$200,000 for this program.

This will still provide \$200,000 in additional funding.

From \$500,000 to \$400,000 from General Revenue Fund.

From \$500,000 to \$400,000 in total for the section.

Section 4.400

I hereby veto \$14,146,566 Federal Road Fund for the Highways and Transportation Commission and Highway Program Administration. The legislation to create this fund failed to pass through the General Assembly; additionally, not directing these funds into the State Road Fund could potentially be a violation of Section 226.220, RSMo. which specifies that all moneys from the United States government intended for highway purposes be deposited into the State Road Fund.

Personal Service by \$11,175,787 from \$11,175,787 to \$0 from Federal Road Fund.

Expense and Equipment by \$2,970,779 from \$2,970,779 to \$0 from Federal Road Fund.

From \$14,146,566 to \$0 in total from Federal Road Fund.

From \$38,585,107 to \$24,438,541 in total for the section.

Section 4.425

I hereby veto \$1,036,173,540 Federal Road Fund for the construction of highways and bridges. The legislation to create this fund failed to pass through the General Assembly; additionally, not directing these funds into the State Road Fund could potentially be a violation of Section 226.220, RSMo. which specifies that all moneys from the United States government intended for highway purposes be deposited into the State Road Fund.

Personal Service by \$41,446,942 from \$41,446,942 to \$0 from Federal Road Fund.
Expense and Equipment by \$994,726,598 from \$994,726,598 to \$0 from Federal Road Fund.
From \$1,036,173,540 to \$0 in total from Federal Road Fund.
From \$3,130,329,119 to \$2,094,155,579 in total for the section.

Section 4.490

I hereby veto \$2,000,000 general revenue for the planning, design, construction and improvements of U.S. Highway 63 in Columbia. 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 project is currently in the State Transportation Improvement Program (STIP).

For the planning, designing, construction and improvements of U.S. Highway 63 in Columbia.
From \$2,000,000 to \$0 from General Revenue Fund.

I hereby veto \$500,000 general revenue for the planning, design, and construction of a turn lane adjacent to a high school in Shelbina. 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 project is not on the state system; therefore, 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 the planning, design, and construction of a turn lane adjacent to a high school in Shelbina.
From \$500,000 to \$0 from General Revenue Fund.

I hereby veto \$3,000,000 general revenue for distribution to a city for the planning, design, and construction of a four-lane bridge with a multipurpose trail. 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 project is not on the state system; therefore, 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 distribution to a city for the planning, design, and construction of a four-lane bridge with a multipurpose trail.
From \$3,000,000 to \$0 from General Revenue Fund.

I hereby veto \$900,000 general revenue for the planning, design, and construction of safety improvements at the intersection of Route 185 and Strange Drive in Washington County. These provisions constitute local or special laws in violation of Article III, Section 40(17), which prohibits the passage of any local or special law authorizing the laying out, opening, altering or maintaining roads, highways, streets or alleys.

For the planning, design, and construction of safety improvements at the intersection of Route 185 and Strange Drive in Washington County.
From \$900,000 to \$0 from General Revenue Fund.

I hereby veto \$500,000 for the planning, design, and construction of a diverging diamond at the intersection of I-470 and View High Drive in Lee's Summit. These provisions constitute local or special laws in violation of Article III, Section 40(17), which prohibits the passage of any local or special law authorizing the laying out, opening, altering or maintaining roads, highways, streets or alleys.

For the planning, design, and construction of a diverging diamond at the intersection of I-470 and View High Drive in Lee's Summit.
From \$500,000 to \$0 from General Revenue Fund.

I hereby veto \$2,000,000 general revenue for maintenance, repair, and upgrades to Shafer Road in Texas and Phelps counties. These provisions constitute local or special laws in violation of Article III, Section 40(17), which prohibits the passage of any local or special law authorizing the laying out, opening, altering or maintaining roads, highways, streets or alleys.

For maintenance, repair, and upgrades to Shafer Road in Texas and Phelps counties.
From \$2,000,000 to \$0 from General Revenue Fund.

From \$62,953,343 to \$54,053,343 in total for the section.
Section 4.495

I hereby veto \$235,077,394 Federal Road Fund for the preservation and maintenance of the state system of roads and bridges and coordinated facilities. The legislation to create this fund failed to pass through the General Assembly; additionally, not directing these funds into the State Road Fund could potentially be a violation of Section 226.220, RSMo. which specifies that all moneys from the United States government intended for highway purposes be deposited into the State Road Fund.

Personal Service by \$86,978,636 from \$86,978,636 Federal Road Fund to \$0.
Expense and Equipment by \$148,098,758 from \$148,098,758 Federal Road Fund to \$0.
From \$235,077,394 to \$0 in total from Federal Road Fund.
From \$691,895,925 to \$456,818,531 in total for the section.

Section 4.535

I hereby veto \$5,000,000 general revenue for distributing funds to urban, small urban, and rural transportation systems. 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 already includes \$6,710,875, including \$5,000,000 general revenue, for this program.

From \$10,000,000 to \$5,000,000 from General Revenue Fund.
From \$11,710,875 to \$6,710,875 in total for the section.

Section 4.570

I hereby veto \$3,000,000 general revenue for the Mobility Management Pilot 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 \$3,000,000 in additional funding.

From \$6,000,000 to \$3,000,000 from General Revenue Fund.

From \$6,000,000 to \$3,000,000 in total for the section.

Section 4.621

I hereby veto \$2,500,000 general revenue for grants to a port authority in New Madrid 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.

This project should go through the standard ports' funding application process, which is receiving a \$3 million increase.

For grants to a port authority in New Madrid County.

From \$2,500,000 to \$0 from General Revenue Fund.

I hereby veto \$4,000,000 general revenue for grants to a port authority in Marion 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.

This project should go through the standard ports' funding application process, which is receiving a \$3 million increase.

For grants to a port authority in Marion County.

From \$4,000,000 to \$0 from General Revenue Fund.

I hereby veto \$200,000 general revenue for ferryboat operations and/or capital improvements at a port in Mississippi County. In the FY 2026 budget approved by the General Assembly, over

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.

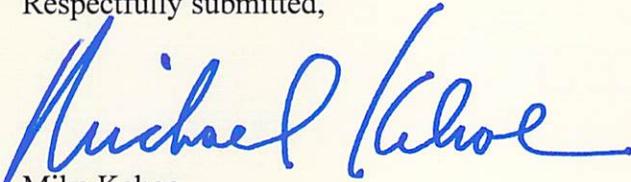
This project should go through the standard ports' funding application process, which is receiving a \$3 million increase.

For ferryboat operations and/or capital improvements at a port in Mississippi County.
From \$200,000 to \$0 from General Revenue Fund.

From \$6,700,000 to \$0 in total for the section.

On June 30, 2025, I approved said Conference Committee Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 4, except for those items specifically vetoed and not approved.

Respectfully submitted,



Mike Kehoe
Governor