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### Missouri General Assembly Legislative Update Cooperating School Districts of Greater Kansas City July 2, 2024

With the legislative session being concluded on May 17, legislative activity has now been taking part within the governor's office. The governor has until July 14 to sign or veto the few bills that actually made it to his desk during this past session. However, the governor had until June 30 to sign or line-item veto provisions of the fiscal year 2025 budget. The budget that the legislature sent to the governor was a little over \$51 billion. The governor line item vetoed approximately \$1 billion of that budget. Attached is the governor's letter regarding the reasoning for the vetoes in HB2002.

Some of the items relating to education that stayed in the budget are as follows:

- \$361.4 million to fully fund school transportation needs for the third year in a row.
- \$121 million to again fully fund the K-12 Foundation Formula for the sixth year in a row.
- \$69.3 million for the Career Ladder program to reward educators who go above and beyond normal duties.
- \$33.4 million for the Teacher Baseline Salary Grant Program which increases baseline K-12 educator pay to \$40,000 per year (participating schools no longer have a grant match requirement).
- \$3.1 million for Missouri Youth Apprenticeships.
- \$56 million for public and charter schools to provide Pre-Kindergarten programs to all students qualifying for free and reduced lunch.
- \$54.8 million to increase rates for child care providers.

Below is a list of all the line-item vetoes for House Bill 2 and attached to this report is the letter from Governor Parson explaining the reasoning for each veto. The majority of the vetoes were due to the passage of SB727 and the ongoing costs associated with the provisions of the bill.

#### Section 2.046

- \$10,000,000 for the Close the Gap Program
- From \$25,000,000 to \$15,000,000 in total for the section

#### Section 2.047

- \$50,000 for a summer enrichment program grant
- From \$100,000 to \$50,000 in total for the section

#### Section 2.061

- \$100,000 for a teacher recruitment and retention organization
- From \$100,000 to \$0 in total for the section

#### Section 2.062

- \$100,000 for a teacher residency program
- From \$100,000 to \$0 in total for the section

#### Section 2.097

- \$700,000 for a turn-key program focused on STEM

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

Section 2.098

- \$250,000 for a nonprofit computer training technology and robotics program
- From \$250,000 to \$0 in total for the section

Section 2.111

- \$750,000 for a six-month study of a school safety software program
- From \$750,000 to \$0 in total for the section

Section 2.142

- \$100,000 for a literacy enrichment program
- From \$100,000 to \$0 in total for the section

Section 2.165

- \$1 for an online skills evaluation platform to help students navigate career pathways.
- Veto the words “eleventh or twelfth grade” as well as “and lead to a nationally recognized work-readiness credential that is used by site selectors to rank states for site selection and economic development.”
- Although the language does not identify a specific vendor, this appropriation appears to describe a specific vendor’s platform. The department is subject to State purchasing laws set forth in Chapter 34, RSMo, and must follow those laws when selecting a vendor rather than contracting with a particular vendor.
- From \$2,500,000 to \$2,499,999 in total for the section

Section 2.166

- \$1,000,000 for the Missouri Career Advising Initiative
- From \$3,500,000 to \$2,500,000 in total for the section

Section 2.202

- \$250,000 for homeless student impact centers
- From \$250,000 to \$0 in total for the section

Section 2.387

- \$3,000,000 for a turn-key STEM intervention program for middle school students
- From \$3,000,000 to \$0 in total for the section

Section 2.390

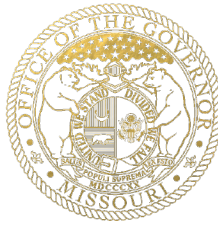
- \$1,300,000 for asthma and allergy treatment programs
- From \$2,300,000 to \$1,000,000 in total for the section

The Governor’s reasoning for these vetoes is as follows:

“The passage of SB 727 (2024) will cost the State an estimated \$400 million more annually for K-12 education once fully implemented. Fully funding the K-12 foundation formula alone in Fiscal Year 2026 is currently estimated to cost an additional \$300 million over the Fiscal Year 2025 appropriation level. Beyond this addition of nearly one billion dollars in annual obligated funding through 2031, the General Assembly spent nearly \$300 million more general revenue than my Fiscal Year 2025 recommended budget in their Truly Agreed and Finally Passed budget. My Administration has consistently prioritized the State’s fiscal stability – not only for today, but for years to come. While the State may have a fund balance this fiscal year, we must maintain a balanced budget that keeps future obligations in mind, ensuring the State can maintain a AAA bond rating and continue to meet its statutory and constitutional obligations in the years to come. In light of all these factors, I have vetoed this provision in an effort to help ensure the financial stability of Missouri beyond my Administration and the current General Assembly.”

Please contact me with any questions or comments.

Steven Carroll



*Michael L. Parson*

GOVERNOR  
STATE OF MISSOURI

June 28, 2024

TO THE SECRETARY OF STATE  
OF THE STATE OF MISSOURI  
102nd GENERAL ASSEMBLY  
SECOND REGULAR SESSION

Herewith I return to you Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 2002 entitled:

AN ACT

To appropriate money for the expenses, grants, refunds, and distributions of the State Board of Education and the Department of Elementary and Secondary Education, and the several divisions and programs thereof, to be expended only as provided in Article IV, Section 28 of the Constitution of Missouri, and to transfer money among certain funds for the period beginning July 1, 2024, and ending June 30, 2025.

Section 2.046

I hereby veto \$10,000,000 Department of Elementary and Secondary Education Federal Emergency Relief 2021 Fund for the Close the Gap Program. Given the short-term nature of this funding source, it is not prudent to start a new program cycle, therefore, funding is limited to existing obligations from the Fiscal Year 2024 budget. Further, expenditures under this program should prioritize tutoring services provided to eligible children and not technology equipment purchases.

From \$25,000,000 to \$15,000,000 from Department of Elementary and Secondary Education Federal Emergency Relief 2021 Fund.

From \$25,000,000 to \$15,000,000 in total for the section.

## Section 2.047

I hereby veto \$50,000 general revenue for a summer enrichment program grant. The passage of SB 727 (2024) will cost the State an estimated \$400 million more annually for K-12 education once fully implemented. Fully funding the K-12 foundation formula alone in Fiscal Year 2026 is currently estimated to cost an additional \$300 million over the Fiscal Year 2025 appropriation level. Beyond this addition of nearly one billion dollars in annual obligated funding through 2031, the General Assembly spent nearly \$300 million more general revenue than my Fiscal Year 2025 recommended budget in their Truly Agreed and Finally Passed budget. My Administration has consistently prioritized the State's fiscal stability – not only for today, but for years to come. While the State may have a fund balance this fiscal year, we must maintain a balanced budget that keeps future obligations in mind, ensuring the State can maintain a AAA bond rating and continue to meet its statutory and constitutional obligations in the years to come. In light of all these factors, I have vetoed this provision in an effort to help ensure the financial stability of Missouri beyond my Administration and the current General Assembly.

From \$100,000 to \$50,000 from General Revenue Fund.  
From \$100,000 to \$50,000 in total for the section.

## Section 2.061

I hereby veto \$100,000 general revenue for a teacher recruitment and retention organization. The passage of SB 727 (2024) will cost the State an estimated \$400 million more annually for K-12 education once fully implemented. Fully funding the K-12 foundation formula alone in Fiscal Year 2026 is currently estimated to cost an additional \$300 million over the Fiscal Year 2025 appropriation level. Beyond this addition of nearly one billion dollars in annual obligated funding through 2031, the General Assembly spent nearly \$300 million more general revenue than my Fiscal Year 2025 recommended budget in their Truly Agreed and Finally Passed budget. My Administration has consistently prioritized the State's fiscal stability – not only for today, but for years to come. While the State may have a fund balance this fiscal year, we must maintain a balanced budget that keeps future obligations in mind, ensuring the State can maintain a AAA bond rating and continue to meet its statutory and constitutional obligations in the years to come. In light of all these factors, I have vetoed this provision in an effort to help ensure the financial stability of Missouri beyond my Administration and the current General Assembly. Additionally, this program has been previously funded with one-time federal relief funds. This Administration has been clear it is not financially responsible to continue funding programs with State funds that were originally funded with federal relief funding that is now expiring.

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 2.062

I hereby veto \$100,000 general revenue for a teacher residency program. The passage of SB 727 (2024) will cost the State an estimated \$400 million more annually for K-12 education once fully implemented. Fully funding the K-12 foundation formula alone in Fiscal Year 2026 is currently estimated to cost an additional \$300 million over the Fiscal Year 2025 appropriation level. Beyond this addition of nearly one billion dollars in annual obligated funding through 2031, the General Assembly spent nearly \$300 million more general revenue than my Fiscal Year 2025 recommended budget in their Truly Agreed and Finally Passed budget. My Administration has consistently prioritized the State's fiscal stability – not only for today, but for years to come. While the State may have a fund balance this fiscal year, we must maintain a balanced budget that keeps future obligations in mind, ensuring the State can maintain a AAA bond rating and continue to meet its statutory and constitutional obligations in the years to come. In light of all these factors, I have vetoed this provision in an effort to help ensure the financial stability of Missouri beyond my Administration and the current General Assembly. Additionally, this program has been previously funded with one-time federal relief funds. This Administration has been clear it is not financially responsible to continue funding programs with State funds that were originally funded with federal relief funding that is now expiring.

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 2.097

I hereby veto \$700,000 general revenue for a turn-key program focused on STEM. The passage of SB 727 (2024) will cost the State an estimated \$400 million more annually for K-12 education once fully implemented. Fully funding the K-12 foundation formula alone in Fiscal Year 2026 is currently estimated to cost an additional \$300 million over the Fiscal Year 2025 appropriation level. Beyond this addition of nearly one billion dollars in annual obligated funding through 2031, the General Assembly spent nearly \$300 million more general revenue than my Fiscal Year 2025 recommended budget in their Truly Agreed and Finally Passed budget. My Administration has consistently prioritized the State's fiscal stability – not only for today, but for years to come. While the State may have a fund balance this fiscal year, we must maintain a balanced budget that keeps future obligations in mind, ensuring the State can maintain a AAA bond rating and continue to meet its statutory and constitutional obligations in the years to come. In light of all these factors, I have vetoed this provision in an effort to help ensure the financial stability of Missouri beyond my Administration and the current General Assembly.

Said section is vetoed in its entirety from \$700,000 to \$0 from General Revenue Fund.  
From \$700,000 to \$0 in total for the section.

## Section 2.098

I hereby veto \$250,000 general revenue for a nonprofit computer training technology and robotics program. The passage of SB 727 (2024) will cost the State an estimated \$400 million more annually for K-12 education once fully implemented. Fully funding the K-12 foundation formula alone in Fiscal Year 2026 is currently estimated to cost an additional \$300 million over the Fiscal Year 2025 appropriation level. Beyond this addition of nearly one billion dollars in annual obligated funding through 2031, the General Assembly spent nearly \$300 million more general revenue than my Fiscal Year 2025 recommended budget in their Truly Agreed and Finally Passed budget. My Administration has consistently prioritized the State's fiscal stability – not only for today, but for years to come. Maintaining a balanced budget that keeps future obligations in mind allows the State to maintain a AAA bond rating. In light of all these factors, I have vetoed this provision in an effort to help ensure the financial stability of Missouri beyond my Administration and the current General Assembly.

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

## Section 2.111

I hereby veto \$750,000 general revenue for a six-month study of a school safety software program. The passage of SB 727 (2024) will cost the State an estimated \$400 million more annually for K-12 education once fully implemented. Fully funding the K-12 foundation formula alone in Fiscal Year 2026 is currently estimated to cost an additional \$300 million over the Fiscal Year 2025 appropriation level. Beyond this addition of nearly one billion dollars in annual obligated funding through 2031, the General Assembly spent nearly \$300 million more general revenue than my Fiscal Year 2025 recommended budget in their Truly Agreed and Finally Passed budget. My Administration has consistently prioritized the State's fiscal stability – not only for today, but for years to come. While the State may have a fund balance this fiscal year, we must maintain a balanced budget that keeps future obligations in mind, ensuring the State can maintain a AAA bond rating and continue to meet its statutory and constitutional obligations in the years to come. In light of all these factors, I have vetoed this provision in an effort to help ensure the financial stability of Missouri beyond my Administration and the current General Assembly. Additionally, my Administration is concerned about the feasibility of such a time-limited study given the unpredictable nature of the events this study is meant to address. Further, this provides ongoing funds for a study that is specifically designated for a six-month time period.

Said section is vetoed in its entirety from \$750,000 to \$0 from General Revenue Fund.  
From \$750,000 to \$0 in total for the section.

#### Section 2.142

I hereby veto \$100,000 general revenue for a literacy enrichment program. The passage of SB 727 (2024) will cost the State an estimated \$400 million more annually for K-12 education once fully implemented. Fully funding the K-12 foundation formula alone in Fiscal Year 2026 is currently estimated to cost an additional \$300 million over the Fiscal Year 2025 appropriation level. Beyond this addition of nearly one billion dollars in annual obligated funding through 2031, the General Assembly spent nearly \$300 million more general revenue than my Fiscal Year 2025 recommended budget in their Truly Agreed and Finally Passed budget. My Administration has consistently prioritized the State's fiscal stability – not only for today, but for years to come. While the State may have a fund balance this fiscal year, we must maintain a balanced budget that keeps future obligations in mind, ensuring the State can maintain a AAA bond rating and continue to meet its statutory and constitutional obligations in the years to come. In light of all these factors, I have vetoed this provision in an effort to help ensure the financial stability of Missouri beyond my Administration and the current General Assembly. Additionally, the State funded this project last fiscal year with the intention that it was a one-time investment.

Said section is vetoed in its entirety from \$100,000 to \$0 from General Revenue Fund.  
From \$100,000 to \$0 in total for the section.

#### Section 2.165

I hereby veto \$1 Lottery Proceeds Fund for an online skills evaluation platform to help students navigate career pathways. I also hereby veto the words “eleventh or twelfth grade” as well as “and lead to a nationally recognized work-readiness credential that is used by site selectors to rank states for site selection and economic development.” Although the language does not identify a specific vendor, this appropriation appears to describe a specific vendor's platform. The department is subject to State purchasing laws set forth in Chapter 34, RSMo, and must follow those laws when selecting a vendor rather than contracting with a particular vendor.

From \$1,200,000 to \$1,199,999 from Lottery Proceeds Fund.  
From \$2,500,000 to \$2,499,999 in total for the section.

#### Section 2.166

I hereby veto \$1,000,000 general revenue for the Missouri Career Advising Initiative. The passage of SB 727 (2024) will cost the State an estimated \$400 million more annually for K-12 education once fully implemented. Fully funding the K-12 foundation formula alone in Fiscal Year 2026 is currently estimated to cost an additional \$300 million over the Fiscal Year 2025 appropriation level. Beyond this addition of nearly one billion dollars in annual obligated funding through 2031, the General Assembly spent nearly \$300 million more general revenue than my Fiscal Year 2025 recommended budget in their Truly Agreed and Finally Passed budget. My Administration has consistently prioritized the State's fiscal stability – not only for today,

but for years to come. While the State may have a fund balance this fiscal year, we must maintain a balanced budget that keeps future obligations in mind, ensuring the State can maintain a AAA bond rating and continue to meet its statutory and constitutional obligations in the years to come. In light of all these factors, I have vetoed this provision in an effort to help ensure the financial stability of Missouri beyond my Administration and the current General Assembly.

From \$3,500,000 to \$2,500,000 from General Revenue Fund.

From \$3,500,000 to \$2,500,000 in total for the section.

#### Section 2.202

I hereby veto \$250,000 general revenue for homeless student impact centers. The passage of SB 727 (2024) will cost the State an estimated \$400 million more annually for K-12 education once fully implemented. Fully funding the K-12 foundation formula alone in Fiscal Year 2026 is currently estimated to cost an additional \$300 million over the Fiscal Year 2025 appropriation level. Beyond this addition of nearly one billion dollars in annual obligated funding through 2031, the General Assembly spent nearly \$300 million more general revenue than my Fiscal Year 2025 recommended budget in their Truly Agreed and Finally Passed budget. My Administration has consistently prioritized the State's fiscal stability – not only for today, but for years to come. While the State may have a fund balance this fiscal year, we must maintain a balanced budget that keeps future obligations in mind, ensuring the State can maintain a AAA bond rating and continue to meet its statutory and constitutional obligations in the years to come. In light of all these factors, I have vetoed this provision in an effort to help ensure the financial stability of Missouri beyond my Administration and the current General Assembly. Further, the State funded this project last fiscal year with the intention that it was a one-time investment.

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

From \$250,000 to \$0 in total for the section.

#### Section 2.387

I hereby veto \$3,000,000 general revenue for a turn-key STEM intervention program for middle school students. The passage of SB 727 (2024) will cost the State an estimated \$400 million more annually for K-12 education once fully implemented. Fully funding the K-12 foundation formula alone in Fiscal Year 2026 is currently estimated to cost an additional \$300 million over the Fiscal Year 2025 appropriation level. Beyond this addition of nearly one billion dollars in annual obligated funding through 2031, the General Assembly spent nearly \$300 million more general revenue than my Fiscal Year 2025 recommended budget in their Truly Agreed and Finally Passed budget. My Administration has consistently prioritized the State's fiscal stability – not only for today, but for years to come. While the State may have a fund balance this fiscal year, we must maintain a balanced budget that keeps future obligations in mind, ensuring the State can maintain a AAA bond rating and continue to meet its statutory and constitutional obligations in the years to come. In light of all these factors, I have vetoed this provision in an



effort to help ensure the financial stability of Missouri beyond my Administration and the current General Assembly.

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

#### Section 2.390

I hereby veto \$1,300,000 Budget Stabilization Fund for asthma and allergy treatment programs. The State funded this project last fiscal year with the intention that it was a one-time investment. Additionally, the General Assembly grossly overappropriated Budget Stabilization Funds.

To contract with a vendor to provide to public schools asthma rescue medication.  
From \$1,300,000 to \$0 from Budget Stabilization Fund.  
From \$2,300,000 to \$1,000,000 in total for the section.

On June 28, 2024 I approved said Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 2002, except for those items specifically vetoed and not approved.

Respectfully submitted,



Michael L. Parson  
Governor