From:Stephens, JesseTo:Stephens, Jesse

Cc: Bcrsd

Subject: State Appropriations Update - Item I1(a)

Date: Thursday, July 3, 2025 9:46:48 AM

Attachments: FY26 House Bill 6 Signed Vetos.pdf

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Dear Board of Trustees,

As I previously made you aware, our \$10,000,000 state appropriation request for sewer funding was vetoed by the governor. We learned a lot through this process, and I look forward to discussing this as I do stakeholder engagement with our Missouri House and Senate delegation in the next couple of months. We will continue to look for other opportunities and avenues to explore for funding opportunities.



Jesse Stephens, Facilities Engineering Manager
Boone County Regional Sewer District (BCRSD)
1314 N. 7th St., Columbia, MO 65201
C: 573.239.4025 | O: 573.443.2774
e: jstephens@bcrsd.com | w: www.bcrsd.com

STATE CAPITOL

201 W. CAPITOL AVENUE, ROOM 216

JEFFERSON CITY, MISSOURI 65101



STATE OF MISSOURI

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

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. 6 entitled:

AN ACT

To appropriate money for the expenses, grants, refunds, and distributions of the Department of Agriculture, Department of Natural Resources, Department of Conservation, and the several divisions and programs thereof, and for the expenses, grants, refunds, distributions, and capital improvements projects involving the repair, replacement, and maintenance of state buildings and facilities of the Department of Natural Resources 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.

I hereby veto \$25,000 general revenue for urban and non-traditional agriculture. The introduction of new programs and services supported by State funding should be limited as much as possible at this time.

For a non-profit charitable organization that produces and distributes free organic vegetables. From \$25,000 to \$0 from General Revenue Fund. From \$5,422,856 to \$5,397,856 in total for the section.

Section 6.021

I hereby veto \$100,000 general revenue for a research farm for industrial hemp varieties to use in commercial production. 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 \$100,000 to \$0 from General Revenue Fund. From \$100,000 to \$0 in total for the section.

Section 6.030

I hereby veto \$500,000 general revenue for the Missouri Wine and Grape Board to facilitate the startup functions and development of the new Fermentation and Research Center within the Grape and Wine Institute. HB 1041 (2025), which more evenly distributes wine tax revenue, was passed in this most recent session.

For the Missouri Wine and Grape Board to facilitate the startup functions and development of the new Fermentation and Research Center within the Grape and Wine Institute. From \$500,000 to \$0 from General Revenue Fund. From \$3,645,711 to \$3,145,711 in total for the section.

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.

Prior to COVID-19, such projects would not receive earmarked general revenue funding. Stakeholders should work with the Department of Natural Resources to determine whether this project would qualify for other state programs, including the Clean Water/Drinking Water State Revolving Fund.

The above reasoning applies to the following sections through Section 6.241.

I hereby veto \$100,000 general revenue for a sewer water infrastructure repair and improvement in Crocker.

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 6.232

I hereby veto \$291,000 general revenue for distribution to the Village of Big Lake for the purchase and installation of a dam pump.

Said section is vetoed in its entirety from \$291,000 to \$0 from General Revenue Fund. From \$291,000 to \$0 in total for the section.

Section 6.233

I hereby veto \$250,000 general revenue for a water infrastructure improvement project in Greenfield.

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 6.234

I hereby veto \$25,000,000 general revenue for wastewater improvements and projects in Republic.

For wastewater improvements and projects in Republic. From \$25,000,000 to \$0 from General Revenue Fund.

I hereby veto \$11,000,000 general revenue for planning, design, repair, construction, or capital improvements of a sewer system for Ashland or Centralia.

For planning, design, repair, construction, or capital improvements of a sewer system for Ashland or Centralia.

From \$11,000,000 to \$0 from General Revenue Fund.

I hereby veto \$500,000 general revenue for stormwater improvements in Boone County.

For stormwater improvements in Boone County. From \$500,000 to \$0 from General Revenue Fund.

From \$36,900,000 to \$400,000 in total for the section.

I hereby veto \$3,000,000 general revenue for sewer infrastructure improvements for New Bloomfield.

For sewer infrastructure improvements for New Bloomfield. From \$3,000,000 to \$0 from General Revenue Fund.

I hereby veto \$1,000,000 general revenue for planning, design, repair, construction, or capital improvements for a sewer system located in Harrisburg.

For planning, design, repair, construction, or capital improvements for a sewer system located in Harrisburg.

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

I hereby veto \$4,200,000 general revenue for sewer infrastructure improvements to a sewer district that serves Malden.

For sewer infrastructure improvements to a sewer district that serves Malden. From \$4,200,000 to \$0 from General Revenue Fund.

I hereby veto \$10,000,000 general revenue for planning, design, maintenance, repair, or improvements for a sewer expansion located in Boone County.

For planning, design, maintenance, repair, or improvements for a sewer expansion located in Boone County.

From \$10,000,000 to \$0 from General Revenue Fund.

I hereby veto \$12,000,000 general revenue for sewer and wastewater infrastructure improvements for a sewer treatment facility owned and maintained by Blue Springs.

For sewer and wastewater infrastructure improvements for a sewer treatment facility owned and maintained by Blue Springs.

From \$12,000,000 to \$0 from General Revenue Fund.

From \$31,200,000 to \$1,000,000 in total for the section.

Section 6.237

I hereby veto \$250,000 general revenue for distribution for Wildwood, Oakville, or University City for watershed and stormwater management and erosion mediation.

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.

I hereby veto \$750,000 general revenue for a water infrastructure project located in Redings Mill.

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 6.241

I hereby veto \$1,000,000 general revenue for St. Louis City to study opportunities to mitigate flood risk and ecosystem degradation in the River Des Peres. My Administration has been unable to determine the intended use of these funds.

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 6.351

I hereby veto \$7,500,000 general revenue for the purchase of 1,600 or more contiguous acres in McDonald County and for the planning, design, and construction of a state park on said land. 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 \$11,500,000 in additional funding.

From \$15,000,000 to \$7,500,000 from General Revenue Fund. From \$19,000,000 to \$11,500,000 in total for the section.

On June 30, 2025 I approved said Conference Committee Substitute for Senate Substitute for Senate Committee Substitute for House Bill No. 6, except for those items specifically vetoed and not approved.

Respectfully submitted,

Governor