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## **State Releases Updated Revenue Projections Announcement of Additional Expenditure Restrictions**

State Budget Director Linda Luebbering announced today that the revenue estimates for Fiscal Year 2010 and Fiscal Year 2011 are being revised. Actual revenue collections continue to fall below projections, with year-to-date revenues down 12.7 percent from last fiscal year. In addition, even as the economy begins to rebound, state revenue growth will continue to lag for a prolonged period of time.

For the current fiscal year, the revised estimate is that net general revenue collections will decline to \$6.73 billion, a \$700 million decrease from Fiscal Year 2009 collections. This will make the Fiscal Year 2010 decline the largest in history.

Given the economic situation, next year's revenue collections are also anticipated to fall below the original projection that was agreed to in January by the House, Senate and Administration. The Governor has asked the House and Senate to work together to develop a new consensus revenue estimate, with preliminary estimates indicating revenue will fall short by over \$200 million.

Historically taxpayers who are owed refunds tend to file their returns sooner than taxpayers who owe additional taxes. In order to continue making timely refunds to taxpayers, the state will use available balance in the budget stabilization fund to pay refunds. Once remittances are paid later in the fiscal year, the money will be returned to the budget stabilization fund.

Because of the revenue situation, additional expenditure restrictions of \$126 million are being made to ensure the budget stays balanced for the remainder of the fiscal year. This restriction brings the total reduction for Fiscal Year 2010 to more than \$850 million. Additional details are attached. Spending for Fiscal Year 2011 will also need to be reduced by \$500 million. The administration will continue to work with the legislature to enact a balanced budget for Fiscal Year 2011.

**END**

FY 2010  
EXPENDITURE RESTRICTIONS  
MARCH 2010

3/11/2010

#	DEPT	ITEM	APPROP	YTD RESTRICTIONS	MARCH RESTRICTIONS	NOTES
1	All	Operating	\$470,783,207	(\$41,756,568)	(\$1,000,000)	Reduce administrative spending in Departments and the Governor's Office.
2	All	Eliminate Non-Federal Holiday (Truman Day)			(\$1,000,000)	Estimated GR overtime savings, will require a statutory change.
3	DESE	A+ Schools	\$21,859,448	\$0	(\$200,000)	Assumes lapse due to available Pell Grant funding.
4	DESE	Foundation - Career Ladder	\$37,467,000	\$0	(\$74,110)	Lapse is anticipated due to a prior year correction.
5	DESE	Foundation - Transportation	\$183,603,843	(\$15,806,130)	(\$4,000,000)	This restricts about 2.4% of available transportation funds for FY 2010.
6	DHE	Operating/Administration	\$784,318	(\$24,864)	(\$64,820)	Reduce administrative spending.
7	DHE	MO Telehealth Network	\$815,640	(\$203,910)	(\$68,486)	Eliminate the May and June payments.
8	DHE	MOREnet	\$12,754,612	(\$5,739,575)	(\$191,320)	Eliminate the May and June payments.
9	DHE	MO Rehabilitation Center	\$11,486,522	(\$574,326)	(\$500,000)	Eliminate a portion of the June payment
10	DHE	MO Institute of Mental Health	\$1,655,892	(\$496,768)	(\$122,817)	Eliminate the May and June payments.
11	MoDOT	AMTRAK	\$13,792,923	(\$718,118)	(\$1,125,000)	Second train will only be available if MODOT is able to negotiate reduction with AMTRAK or able to pick up with other funds.
12	OA/CI	FMRF FY10 Transfer	\$35,832,197	(\$16,712,614)	(\$6,000,000)	Will reduce resources available for the maintenance and construction work on state facilities.
13	OA/CI	MSP Phase IV Redevelopment	\$516,243	\$0	(\$350,000)	Amount no longer needed for project.
14	MDA	Biodiesel	\$25,000,000	(\$1,915,000)	(\$2,000,000)	Estimated lapse.
15	DNR	Superfund	\$730,364	\$0	(\$635,417)	Use other available funding sources.
16	DED	Tourism	\$23,659,810	(\$8,604,278)	(\$1,217,778)	Restrict 4th quarter transfer amount.
17	DED	Job Training	\$1,978,912	\$0	(\$100,000)	30% of remaining appropriation.
18	DED	MO Federal and State Technology Partnership Program	\$500,000	(\$75,000)	(\$65,000)	Restrict 4th quarter transfer amount.
19	DPS	Interoperability	\$87,000,000	(\$74,399,668)	(\$6,464,006)	This restriction would leave \$1.5M to cover incurred exps. This would also leave \$25M in Highway funds and \$9M in federal funds.
20	DMH	Non Medicaid Community	\$86,667,637	(\$4,487,713)	(\$1,632,658)	5% reduction of unexpended appropriation.
21	DMH	Overtime Supplemental Decrease	\$0	\$0	(\$400,000)	Updated estimate of need.
22	DHSS	HCBS Supplemental Decrease	\$0	\$0	(\$1,121,913)	Updated estimate of need.
23	DHSS	Area Agencies on Aging (AAAs)	\$11,089,221	(\$378,586)	(\$1,100,000)	Sufficient funds remain to ensure that meals will still be provided.
24	DHSS	Non-Medicaid Home and Community Based Services	\$9,472,065	(\$1,712,547)	(\$1,499,051)	Elimination of funding for approximately 500 State-Only and 2,100 Dual Authorized clients.
25	DHSS	Alternatives to Abortion	\$1,949,512	\$0	(\$290,000)	Based on expenditures to date, this amount may not be needed.

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26	DSS	Delinquent Children	\$2,484,608	\$0	(\$384,608)	Updated estimate of need.
27	DSS	Community Work Supports	\$3,000,000	\$0	(\$229,409)	DSS will attempt to renegotiate contracts with providers for the last quarter to ensure no recipients lose services.
28	DSS	Clawback (Medicare Part D) Payments to Federal Govt.	\$185,000,000	\$0	(\$75,600,000)	The federal government is reducing the amount states owe for these payments. This reduction is based on the higher federal match rate for the Medicaid Program.
29	DSS	Medicaid Lapse			(\$14,508,692)	Updated estimate of need in the home health, PACE, nursing facilities, NEMT, Women's Health, and CHIP programs.
30	DSS	Crisis Nursery	\$1,350,000	\$0	(\$500,000)	Estimated lapse that will no longer be reinvested in the program.
31	DSS	Pharmacy dispensing fee			(\$179,100)	Assumes May and June savings. Lowers dispensing fee by \$.25 from \$4.84 to \$4.59.
32	DSS	FQHC Distribution	\$9,250,000	\$0	(\$1,400,000)	Reduces payments to FQHC's.
33	DSS	Nursing Home Part A			(\$1,200,000)	Reduction in nursing facility payments resulting from Medicare repricing.
34	JUD	Judiciary/OSCA			(\$500,000)	General expense reduction.
		<b>Total</b>			(\$125,724,185)	