



OFFICE OF THE GOVERNOR

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MATT BLUNT
GOVERNOR

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January 15, 2008

TO THE GENERAL ASSEMBLY AND THE PEOPLE OF MISSOURI:

My proposed Fiscal Year 2009 (FY 09) budget is a spending plan that continues to move our state forward in many areas including education, health care, and economic development. This budget is possible because of actions we have taken over the past three years. In my first budget, we closed a \$1.1 billion deficit and, with your help, we have achieved budget surpluses in each of the last two years and my FY 09 budget provides for another significant ending balance.

This year, I am again directing additional state funds to our local school districts, state college and university campuses, and need-based student scholarships. My budget will continue full funding for the new Foundation Formula now in its third year of implementation. Higher education is a vital investment in our future. Therefore, my FY 09 budget includes a \$54.2 million increase for the two- and four-year state colleges and universities. I am proposing a total of \$100 million in need-based scholarships for Missouri students. This is a quadrupling of that amount since I took office. With these recommendations, the total increase of our investment in education from FY 05 to FY 09 is \$1.2 billion.

I am deeply committed to expanding access to health care for Missourians. That is why I have acted to save the taxpayer supported health care safety net from bankruptcy by creating a new, innovative program to deliver 21st Century health care to Missourians. My call to increase funding by more than \$800 million supports our commitment to focus on health, prevention, and wellness rather than merely treating illness or injury after it has occurred. My new plan called MO HealthNet greatly improves the state's health care program for 830,000 low-income Missourians. Innovative solutions including a health care home, expanded access to care for foster children, and use of technology will improve health care for all participants. In addition to the important and beneficial changes to MO HealthNet, I am proposing the Insure Missouri program that will expand access to coverage to more than 200,000 Missourians. I propose implementing these valuable changes without increasing taxes.

We have moved in a new direction, making state government a catalyst for job creation, and a good steward of taxpayer resources. Our economy is responding to my administration's pro-jobs, pro-growth policies. My budget will continue our efforts to retrain existing workers, retain jobs in our state, and sell the benefits of doing business in Missouri. Because I believe that the citizens of our state deserve the benefit of our successes, for FY 09 I propose additional tax relief for Missouri taxpayers and businesses including the elimination of the tax on military pensions, and tax credits to encourage venture capital investment and energy conservation. I look forward to working with all of you to enact the FY 09 budget and my priority legislative initiatives.

Sincerely,

A handwritten signature in black ink that reads "Matt Blunt".

Matt Blunt