

FY 2016 Overview Governor's Recommendations

Governor Nixon has kept Missouri on a fiscally responsible path, focusing resources on vital services – education, public safety, mental health care and support for children and seniors. Governor Nixon has ensured state government is smaller, smarter and more efficient for Missouri taxpayers. Because of this prudent fiscal management, Missouri retains its AAA rating from all three national rating agencies.

Governor Nixon's Fiscal Year 2016 budget recognizes improved economic growth while safeguarding the state's future fiscal health. With the economy accelerating, continued revenue growth is expected for Fiscal Year 2015 - the revised consensus estimate assumes growth of 4.6 percent. Continued employment growth and improving consumer confidence will help increase general revenue collections in Fiscal Year 2016. Governor Nixon's Fiscal Year 2016 budget is based on the consensus forecast of 3.6 percent growth.

In addition to his Fiscal Year 2016 budget proposal, Governor Nixon recommends the General Assembly pass three fiscally responsible legislative measures that combined will generate \$178 million in general revenue for high-priority investments in education, health care and economic development. These measures include strengthening and reforming Medicaid, enacting tax amnesty and streamlining revenue collection functions.

Governor Nixon recommends the following increases:

Pre-K and Elementary and Secondary Education

- \$150 million for K-12 classrooms, including:
 - \$50 million for the Foundation Formula.
 - \$21 million for School District Trust Fund payments.
 - \$79 million additional funding for the Foundation Formula if the General Assembly passes legislation to increase available general revenue.
- \$11 million federal TANF funds to provide preschool for low-income working families.
- \$5 million early childhood funds for the Early Childhood Special Education program.
- \$2 million to expand Project Lead the Way in support of science, technology, engineering and math (STEM) for 350 additional elementary schools.
- \$500,000 for dropout prevention and workforce preparation for at-risk youth, delivered in the classroom through the Jobs for America's Graduates program.

Higher Education

- \$161.5 million from bond proceeds for repair and renovations for colleges and universities, bringing the total bonding package for higher education to \$200 million.
- \$25 million for colleges and universities, including:
 - \$12 million for performance and equity funding.
 - \$13 million additional funding if the General Assembly passes legislation to increase available general revenue.
- \$4 million for scholarships for students, including:
 - \$2 million for the A+ Scholarship Program.
 - \$2 million above Fiscal Year 2015 planned spending for Access Missouri scholarships.
- If the General Assembly passes legislation to increase general revenue, the following additions are recommended for funding:
 - \$10 million for the University of Missouri/Springfield Medical Partnership.
 - \$1.3 million for the Missouri State University Occupational Therapy Program.
 - \$500,000 for Lincoln University land grant match.

Health and Safety

- \$43 million for services for individuals with developmental disabilities, including \$15.8 million general revenue.
- \$27.9 million for additional Home and Community-Based Services for the elderly and people with disabilities, including \$10.2 million general revenue.
- \$14.9 million for children in foster care, including \$9.8 million general revenue.
- \$13.9 million to ensure that there is no wait list for Medicaid in-home services for individuals with developmental disabilities, including \$5.1 million general revenue.
- \$10.6 million to serve an additional 3,539 individuals with alcohol and drug abuse and comprehensive psychiatric needs, including \$3.9 million general revenue.
- \$2.4 million for blind pension payments.

Health and Safety (continued)

- \$2 million federal funds to ensure child care providers throughout the state are complying with safety requirements.
- If the General Assembly passes legislation to increase general revenue, the following additions are recommended:
 - \$21.6 million for a rate increase for Medicaid long-term care and community services, \$58.9 million total including federal match.
 - \$17.8 million for dental benefits for existing adult Medicaid clients, \$48.5 million total including federal match.
 - \$2.2 million for grants to Federally Qualified Health Care Centers.

Economic Development and Natural Resources

- \$70 million from bond proceeds to assist communities with water, wastewater and stormwater infrastructure needs.
- \$49 million from bond proceeds to repair and renovate state parks.
- If the General Assembly passes legislation to increase general revenue, the following additions are recommended:
 - \$12.8 million for the Missouri Technology Corporation.
 - \$10.8 million for the Missouri Works Jobs Training Program.
 - \$9 million to enhance cybersecurity, including state government networks.

State Infrastructure

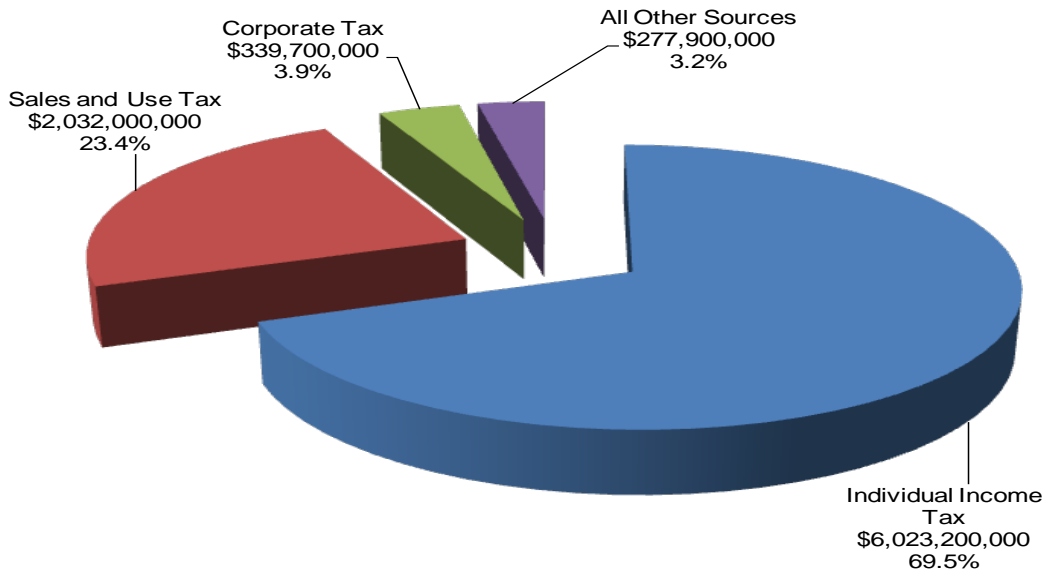
- \$75 million from bond proceeds for high priority repair and renovations in the State Capitol Complex.
- \$53 million from bond proceeds for critical repair and renovations for other state facilities statewide.
- \$14.5 million from bond proceeds for repair and renovations at veterans' homes.
- Funding from bond proceeds for a new veterans' home to begin addressing the waiting list, to be discussed with legislature.

GENERAL REVENUE RECEIPTS AND ESTIMATES

	Actual Receipts FY 2014	Revenue Estimate FY 2015	Revenue Estimate FY 2016
Collections			
Individual Income Tax	\$ 6,352,519,234	\$ 6,731,000,000	\$ 7,058,200,000
Sales and Use Tax	1,969,386,251	2,034,000,000	2,077,000,000
Corporate Income/Franchise Tax	540,715,505	522,500,000	495,700,000
County Foreign Insurance Tax	202,590,279	212,500,000	219,000,000
Liquor Tax	27,227,515	28,000,000	28,800,000
Beer Tax	7,887,262	8,100,000	8,300,000
Interest on Deposits and Investments	5,358,641	5,600,000	6,000,000
Federal Reimbursements	8,776,379	16,900,000	13,500,000
All Other Sources	167,474,636	158,200,000	160,700,000
Total General Revenue Collections	9,281,935,702	9,716,800,000	10,067,200,000
Refunds	(1,278,645,960)	(1,345,300,000)	(1,394,400,000)
Net General Revenue Collections	\$ 8,003,289,742	\$ 8,371,500,000	\$ 8,672,800,000
Net Growth Rate		4.6%	3.6%

FY 2016 REVENUE ESTIMATE

Net General Revenue \$8,672,800,000



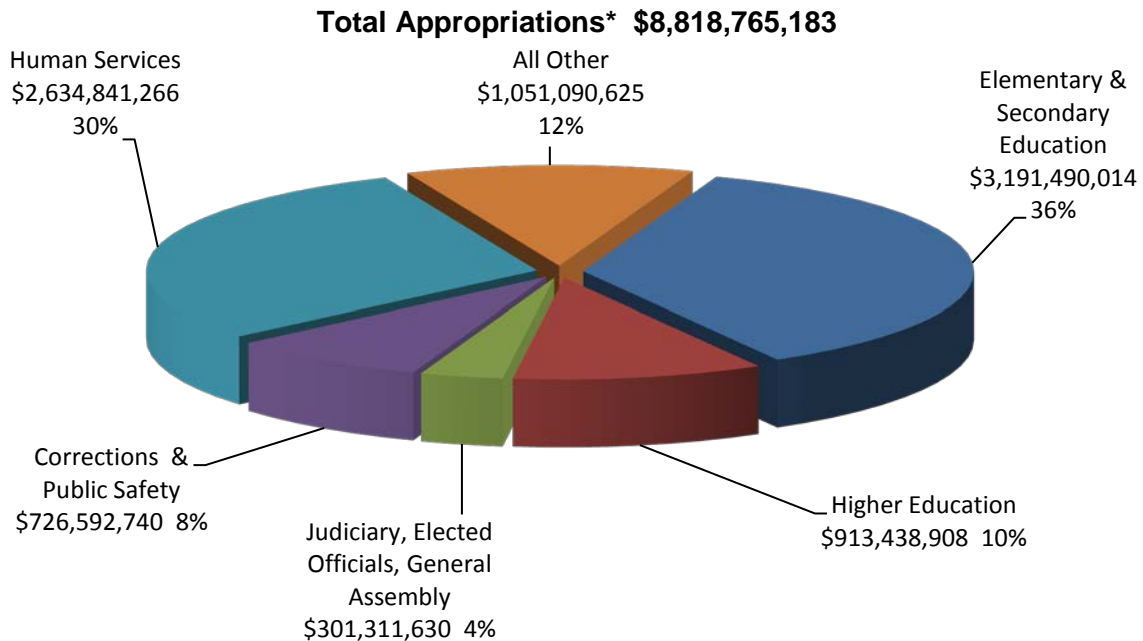
GENERAL REVENUE SUMMARY

<u>RESOURCES</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Beginning Balance	\$ 329,738,685	\$ 18,310,187	\$ 0
Previous Year's Lapse ¹	117,239,988	170,500,000	110,000,000
Revenue Collections	9,281,935,702	9,716,800,000	10,067,200,000
Refunds	(1,278,645,960)	(1,345,300,000)	(1,394,400,000)
Collection Additions ²	0	0	6,000,000
Transfers to Fund	123,890,019	120,000,000	92,700,000
Total Resources Available	\$ 8,574,158,434	\$ 8,680,310,187	\$ 8,881,500,000
<u>OBLIGATIONS</u>			
Operating Appropriations	\$ 8,276,748,366	\$ 8,734,913,177	\$ 8,818,765,183
Capital Appropriations ³	111,200,000	205,700,000	73,400,000
Supplemental	165,944,195	140,566,752	
Increased estimateds	54,955,686	18,500,000	31,300,000
Expenditure Restrictions ⁴	(53,000,000)	(419,369,742)	(41,965,183)
Total Obligations	\$ 8,555,848,247	\$ 8,680,310,187	\$ 8,881,500,000
 Ending Balance	 \$ 18,310,187	 \$ 0	 \$ 0

NOTES TO GENERAL REVENUE SUMMARY

- (1) Unexpended appropriations are counted as a resource in the next fiscal year to avoid premature commitment of uncertain resources until actual lapses are known. This includes reserves authorized by Section 33.290, RSMo. Capital appropriations are written off against the FY 2015 cash balance.
- (2) Collection additions is from an anticipated balance in the high risk pool that will be deposited in general revenue.
- (3) The FY 2014/FY 2015 capital appropriations have been split between the two fiscal years.
- (4) The anticipated FY 2016 expenditure restriction would be applied against the Facilities Maintenance Reserve Fund unless additional resources are available.

FY 2016 GOVERNOR'S RECOMMENDED OPERATING BUDGET GENERAL REVENUE



*Excludes refunds

BUDGETED FULL TIME EQUIVALENT (FTE) SUMMARY										
								Gov Rec	Change	Change
Department	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	15 to 16	09 to 16
Elementary and Secondary Education	1,830	1,746	1,717	1,711	1,690	1,694	1,696	1,694	(2)	(136)
Higher Education	76	76	76	76	76	79	80	81	1	5
Revenue	1,583	1,463	1,418	1,443	1,403	1,374	1,317	1,318	1	(265)
Transportation	6,947	6,617	6,617	6,417	5,813	5,653	5,654	5,656	2	(1,291)
Office of Administration	2,086	2,033	2,204	2,254	2,176	2,179	1,940	1,897	(42)	(188)
Agriculture	401	391	393	410	413	414	426	436	10	35
Natural Resources	1,814	1,796	1,782	1,784	1,755	1,757	1,694	1,700	6	(114)
Conservation	1,872	1,844	1,844	1,843	1,813	1,813	1,813	1,813	0	(59)
Economic Development	978	976	967	967	934	909	945	943	(2)	(35)
Insurance, Financial Inst., Prof. Reg.	534	545	550	583	578	580	585	587	2	53
Labor and Industrial Relations	866	832	828	824	824	823	826	829	3	(37)
Public Safety	5,035	5,033	4,974	4,962	4,971	5,008	5,041	5,033	(8)	(3)
Corrections	11,431	11,329	11,152	11,047	11,039	11,023	11,256	11,244	(13)	(187)
Mental Health	8,676	8,292	7,874	7,440	7,414	7,445	7,417	7,270	(147)	(1,406)
Health and Senior Services	1,914	1,894	1,834	1,727	1,788	1,789	1,766	1,763	(2)	(151)
Social Services	8,178	8,093	7,760	7,355	7,220	7,158	6,961	6,937	(24)	(1,241)
Elected Officials	975	987	992	993	986	964	964	962	(2)	(14)
Judiciary	3,405	3,406	3,406	3,406	3,406	3,407	3,425	3,425	0	20
Public Defender	560	572	572	587	587	587	587	587	0	27
General Assembly	712	711	688	680	686	687	689	689	0	(23)
Total	59,873	58,636	57,648	56,510	55,571	55,343	55,081	54,864	(217)	(5,009)

HIGHER EDUCATION INSTITUTIONS						
GOVERNOR'S RECOMMENDED FY 16 FUNDING						
Institution	FY 16 Core Funding	FY 16 Budget Increase	FY 16 Addn Proposed Increase	Total Proposed Increase	FY 16 Total Funding	% Change
Crowder College	4,910,317	76,599	82,982	159,581	5,069,898	3.25%
East Central College	5,328,704	63,219	68,488	131,707	5,460,411	2.47%
Jefferson College	7,791,431	92,446	100,149	192,595	7,984,026	2.47%
Metropolitan Community College	32,657,833	496,861	538,267	1,035,128	33,692,961	3.17%
Mineral Area College	5,281,123	99,980	108,312	208,292	5,489,415	3.94%
Moberly Area Community College	5,513,964	85,987	93,153	179,140	5,693,104	3.25%
North Central Missouri College	2,571,251	48,401	52,435	100,836	2,672,087	3.92%
Ozarks Technical Community College	11,543,277	222,749	241,310	464,059	12,007,336	4.02%
St. Charles Community College	8,224,593	156,635	169,687	326,322	8,550,915	3.97%
St. Louis Community College	45,791,644	375,978	407,309	783,287	46,574,931	1.71%
State Fair Community College	5,650,002	67,702	73,345	141,047	5,791,049	2.50%
Three Rivers Community College	4,723,484	56,762	61,492	118,254	4,841,738	2.50%
Community College Subtotal	139,987,623	1,843,319	1,996,929	3,840,248	143,827,871	2.74%
State Technical College of Missouri	4,958,697	65,295	70,736	136,031	5,094,728	2.74%
University of Central Missouri	56,722,993	676,463	732,836	1,409,299	58,132,292	2.48%
Southeast Missouri State University	46,638,632	669,042	724,796	1,393,838	48,032,470	2.99%
Missouri State University	79,764,521	1,218,395	1,319,928	2,538,323	82,302,844	3.18%
Missouri State University - West Plains	5,453,985	65,043	70,463	135,506	5,589,491	2.48%
Lincoln University	18,183,935	216,857	234,928	451,785	18,635,720	2.48%
Truman State University	42,602,063	508,061	550,399	1,058,460	43,660,523	2.48%
Northwest Missouri State University	31,844,042	379,764	411,411	791,175	32,635,217	2.48%
Missouri Southern State University	24,185,221	230,742	249,970	480,712	24,665,933	1.99%
Missouri Western State University	22,254,114	269,347	291,792	561,139	22,815,253	2.52%
Harris-Stowe State University	10,197,772	121,616	131,751	253,367	10,451,139	2.48%
University of Missouri	428,525,516	5,736,056	6,214,061	11,950,117	440,475,633	2.79%
Four-Year Institution Subtotal	771,331,491	10,156,681	11,003,071	21,159,752	792,491,243	2.74%
Two- and Four-Year Institutions Total	911,319,114	12,000,000	13,000,000	25,000,000	936,319,114	2.74%

HIGHER EDUCATION AND STATE FACILITY BONDING PROPOSAL

HIGHER EDUCATION FACILITY REPAIR AND RENOVATION

Crowder College	\$ 1,983,872
East Central College	\$ 1,849,015
Jefferson College	\$ 2,122,144
Metropolitan Community College	\$ 4,002,094
Mineral Area College	\$ 1,882,981
Moberly Area Community College	\$ 2,068,081
North Central Missouri College	\$ 1,518,406
Ozarks Technical Community College	\$ 3,312,940
St. Charles Community College	\$ 2,382,612
St. Louis Community College	\$ 5,245,143
State Fair Community College	\$ 1,994,724
Three Rivers Community College	\$ 1,900,868
State Technical College of Missouri	\$ 1,071,984
University of Central Missouri	\$12,262,520
Southeast Missouri State University	\$10,082,458
Missouri State University	\$18,925,377
Lincoln University	\$ 4,039,140
Truman State University	\$ 9,209,822
Northwest Missouri State University	\$ 6,884,126
Missouri Southern State University	\$ 5,228,422
Missouri Western State University	\$ 4,810,951
Harris-Stowe State University	\$ 2,204,580
University of Missouri *	\$56,517,740
subtotal	\$161,500,000

STATE FACILITY REPAIR AND RENOVATION

Missouri State Capitol Complex	\$75,000,000
Missouri Veterans Commission	\$14,500,000
Dept. Of Elementary and Secondary Education	\$ 4,499,739
Missouri State Fair	\$ 2,876,500
Department of Corrections	\$13,521,545
Dept. of Social Services-Division of Youth Services	\$ 3,970,367
Dept. Of Mental Health	\$15,006,465
Office of Administration	\$13,444,468
State Parks - Central Region	\$ 3,208,700
State Parks - Lakes Region	\$14,750,000
State Parks - Northeast Region	\$10,085,000
State Parks - Kansas City Region	\$ 3,500,000
State Parks - Southeast Region	\$ 7,765,000
State Parks - St. Louis Region	\$ 9,775,000
subtotal	\$191,902,784
TOTAL	\$353,402,784

*The University of Missouri Total does not include \$38.5 million appropriated in 2014 for the Lafferre Hall Project on the Columbia Campus

**EXPANDING AND REFORMING MEDICAID
GENERAL REVENUE BUDGET SUMMARY**

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2023
People Served	301,473	308,082	314,690	321,298	321,298
	\$s in Mils	\$s in Mils	\$s in Mils	\$s in Mils	\$s in Mils
New Cost	\$0.0	(\$40.7)	(\$91.2)	(\$112.0)	(\$200.6)
Savings	\$82.5	\$194.8	\$279.4	\$299.1	\$312.8
Admin Cost	(\$1.5)	(\$0.8)	(\$0.8)	(\$0.8)	(\$0.8)
Net Savings	\$81.0	\$153.2	\$187.4	\$186.3	\$111.3
New Revenue	\$36.4	\$47.6	\$46.7	\$47.2	\$51.8
Net Positive Impact	\$117.5	\$200.8	\$234.1	\$233.5	\$163.2

Updated: December 2014