

## **REVIEW OF FISCAL YEAR 2017 REVENUE**

Net general revenue collections increased in Fiscal Year 2017 by 2.6 percent over the previous year. With the U.S. economy continuing to expand, modest to moderate revenue growth is expected over the next eighteen months. Revenues are estimated to grow by 1.9 percent in Fiscal Year 2018 and increase moderately to 2.5 percent growth in Fiscal Year 2019.

## **THE ECONOMIC OUTLOOK**

### **U.S. Economic Position**

The national economy grew in Calendar Year 2017, gaining momentum throughout the year. The unemployment rate declined and employment growth has continued. Housing starts and sales continued to grow at a faster pace than last year. Inflation remained low, tempered by low oil and energy prices and a strong U.S. dollar.

The President signed a federal tax reform package with a January 1, 2018 effective date. This boosted consumer and business confidence and raised inflation expectations. While it is not yet clear how this will impact individual taxpayer behavior, the consensus is that the tax reform package will have a positive impact to the overall U.S. economy.

The economy grew modestly in 2017. Through November, average employment increased 1.4 percent. The unemployment rate decreased to 4.1 percent in November. Personal income continued to improve at a moderate pace. Consumer confidence and spending remained strong through November. Corporate profits had a strong year, and appear to be maintaining momentum. The stock market continues its run in record-setting territory. Growth in the median selling price for new homes stayed moderate and remains slightly below the peak price in 2015. The inventory of homes ended the year at a five-month supply.

## Economic Projections

| <b>Increase by Calendar Year</b> |             |             |             |
|----------------------------------|-------------|-------------|-------------|
|                                  | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| <b><u>US</u></b>                 |             |             |             |
| Real GDP                         | 2.5%        | 2.7%        | 2.2%        |
| Employment                       | 1.5%        | 1.5%        | 1.2%        |
| Personal Income                  | 2.7%        | 4.3%        | 5.1%        |
| Consumer Expenditures            | 3.8%        | 3.4%        | 3.3%        |
| Consumer Prices                  | 2.1%        | 2.1%        | 2.4%        |
| <b><u>MO</u></b>                 |             |             |             |
| Employment                       | 1.7%        | 1.6%        | 1.0%        |
| Personal Income                  | 2.6%        | 4.9%        | 5.3%        |

The economy continues to grow at a moderate pace. The outlook over the next two years shows a slight acceleration into 2018 and then steady growth through 2018. As the economy approaches full employment, wage growth will likely continue to accelerate, which should keep consumer confidence high. Further, reduced oil and energy prices will continue to leave more disposable income in consumers' pockets, and hold costs down for businesses.

The Federal Reserve raised interest rates three times this year. However, the rate remains very low and it is expected to be increased slowly over the next two years. The stock market reaction to the rate hikes appears positive. The Federal Reserve still needs to move cautiously as they continue to unwind a balance sheet that is inflated after the historic quantitative easing program.

In addition, there are other risks to this outlook. Geopolitical conflicts in the Middle East could have a powerful impact on oil prices. Uncertainty in national policy, and the renegotiation of international trade agreements, such as NAFTA, may dampen consumer confidence and could further weaken demand for U.S. exports. However, economic growth could exceed expectations if business investment accelerates, hiring accelerates at a faster than expected pace, and wage growth improves at a more than modest pace.

### **Missouri Economic Position**

Missouri's economy improved in 2017. According to payroll data in December, employment has increased. Through the first eleven months, employment improved 1.6 percent compared to 2016. Unemployment claims remain below pre-recession levels. Both personal income and consumer

spending grew. Missouri's unemployment rate declined, falling to 3.4 percent in November; lower than the national average. The current unemployment rate is the lowest rate in Missouri since 2000.

Missouri's economy is expected to accelerate and then maintain growth in 2018. Job growth will continue over the next eighteen months, but at a slower rate as the economy reaches full employment, boosting wages. Unlike the national economy, the manufacturing industry in Missouri has remained steady over the past year. The Missouri GDP due to manufacturing increased by 0.8% in the first half of 2017 compared to national growth of 0.5%.

### **REVENUE PROJECTIONS FOR FISCAL YEARS 2018 AND 2019**

Revenue forecasting is challenging under the best of circumstances and is even more difficult when there is significant uncertainty around national tax policy.

With economic growth accelerating, continued revenue growth is expected for Fiscal Year 2018. The revised revenue estimate assumes growth of 1.9 percent, which reflects solid growth in sales taxes and moderate growth in income taxes. Growth in individual income taxes will be less, given the federal tax reform and the first implementation of income tax cuts passed in 2014. Tax credit redemptions will continue to equal a large portion of net revenue, though likely will not be as high as the record level reached in Fiscal Year 2012. The revised estimate of 1.9% reflects a downward adjustment from the number on which the Fiscal Year 2018 budget is based.

Continued employment increases, stronger wage growth, and spending growth will help boost general revenue collections in Fiscal Year 2019. Governor Greitens' Fiscal Year 2019 Budget is based on a forecast of revenue growth of 2.5 percent in Fiscal Year 2019.

### **REVENUE LIMITATION AMENDMENT**

Article X of the Missouri Constitution establishes a revenue and spending limit on state government. The limit is 5.6 percent of Missouri personal income, based on the relationship between personal income and total state revenues when the limit was established and approved by voters in November 1980. Calculations made pursuant to Article X of the Missouri Constitution show that total state revenues for Fiscal Year 2016 were below the total state revenue limit by over \$4.0 billion.

The Office of Administration projects that total state revenues will not exceed the total state revenue limit in Fiscal Years 2018 or 2019. These preliminary calculations are subject to change as actual state revenue collections become known and as the federal government revises its estimates of Missouri personal income. These projections could change if legislation is approved to increase taxes without a vote of the people. Pursuant to Article X of the Missouri Constitution, revenue approved by the voters is not subject to the revenue and spending limit.

In addition, Article X, Section 18(e) of the Missouri Constitution states the General Assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce net new annual revenues greater than \$50 million, adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or one percent of total state revenues for the second fiscal year prior to the General Assembly's action, whichever is less.

"Net new annual revenues" is defined as the net increase in annual revenues produced by the total of all tax or fee increases by the General Assembly in a fiscal year, less refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year.

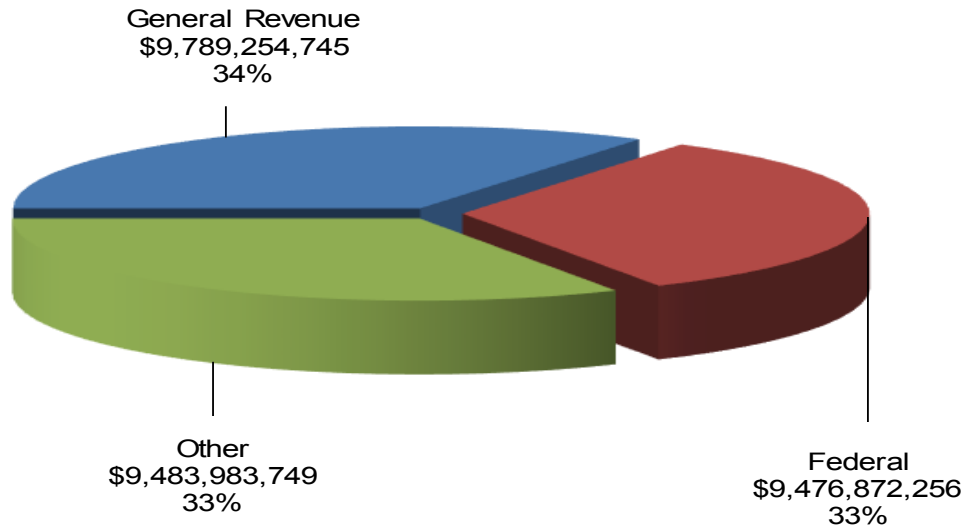
For Fiscal Year 2017, these calculations were \$120.3 million for the personal income amount and \$101.5 million for the one percent of total state revenues amount. Legislative actions in the 2017 session resulted in a decrease of at least \$2.9 million in state revenues when the provisions are fully implemented.

For Fiscal Year 2018, the calculations are \$123.5 million for the personal income amount and \$102.9 million for the one percent of total state revenues amount.

# FY 2019 TOTAL OPERATING BUDGET

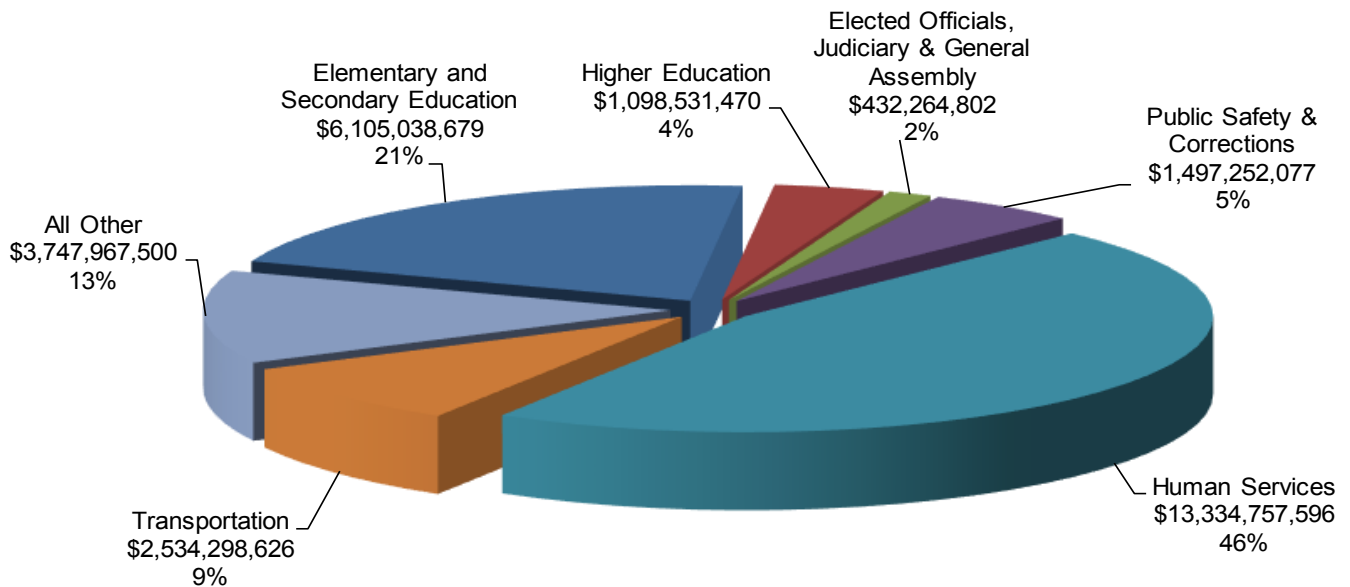
## SOURCES OF FUNDS

Total Funds\* \$28,750,110,750



## FY 2019 GOVERNOR'S RECOMMENDED OPERATING BUDGET—ALL FUNDS

Total Appropriations\* \$28,750,110,750



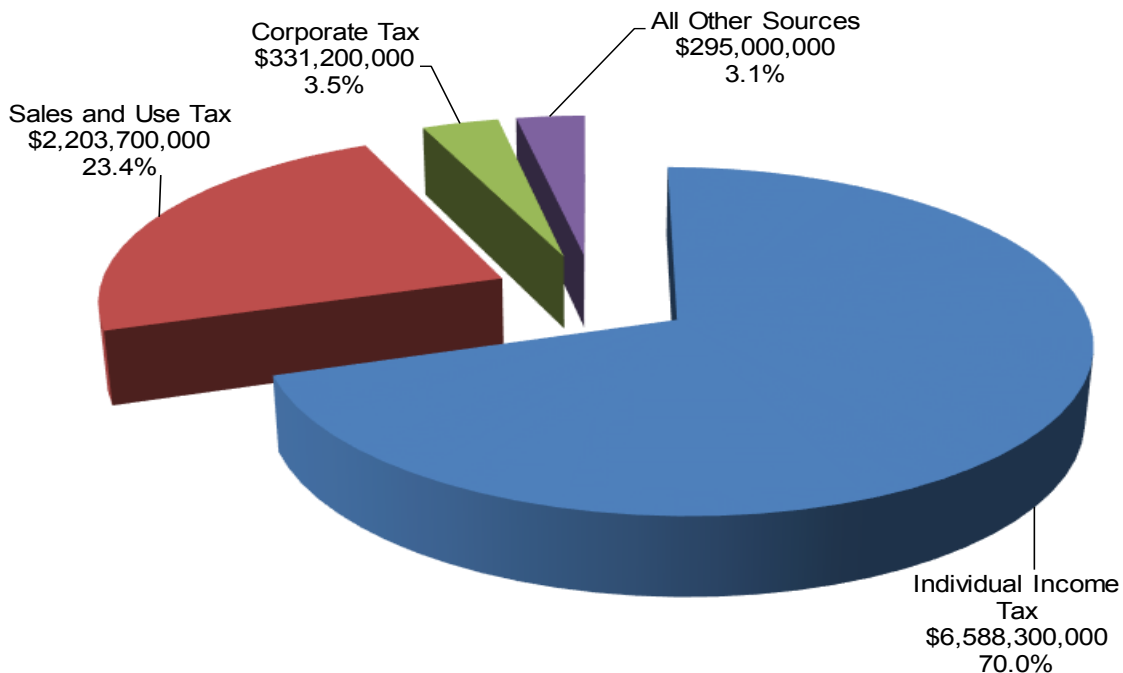
\*Excludes refunds

## GENERAL REVENUE RECEIPTS AND ESTIMATES

|                                          | Actual<br>Receipts<br>FY 2017 | Revenue<br>Estimate<br>FY 2018 | Revenue<br>Estimate<br>FY 2019 |
|------------------------------------------|-------------------------------|--------------------------------|--------------------------------|
| <b>Collections</b>                       |                               |                                |                                |
| Individual Income Tax                    | \$ 7,320,599,807              | \$ 7,552,500,000               | \$ 7,789,200,000               |
| Sales and Use Tax                        | 2,147,141,091                 | 2,195,400,000                  | 2,240,900,000                  |
| Corporate Income/Franchise Tax           | 435,097,753                   | 469,700,000                    | 490,300,000                    |
| County Foreign Insurance Tax             | 280,410,231                   | 238,300,000                    | 226,400,000                    |
| Liquor Tax                               | 25,601,633                    | 26,400,000                     | 26,800,000                     |
| Beer Tax                                 | 7,666,892                     | 7,800,000                      | 7,900,000                      |
| Interest on Deposits and Investments     | 6,596,265                     | 11,000,000                     | 18,300,000                     |
| Federal Reimbursements                   | 13,275,902                    | 8,800,000                      | 7,600,000                      |
| All Other Sources                        | 195,744,213                   | 168,900,000                    | 172,600,000                    |
| <b>Total General Revenue Collections</b> | <b>10,432,133,787</b>         | <b>10,678,800,000</b>          | <b>10,980,000,000</b>          |
| <b>Refunds</b>                           | <b>(1,415,891,991)</b>        | <b>(1,489,900,000)</b>         | <b>(1,561,800,000)</b>         |
| <b>Net General Revenue Collections</b>   | <b>\$ 9,016,241,796</b>       | <b>\$ 9,188,900,000</b>        | <b>\$ 9,418,200,000</b>        |
| <b>Net Growth Rate</b>                   |                               | <b>1.9%</b>                    | <b>2.5%</b>                    |

### FY 2019 REVENUE CONSENSUS ESTIMATE

**Net General Revenue \$9,418,200,000**



## GENERAL REVENUE SUMMARY

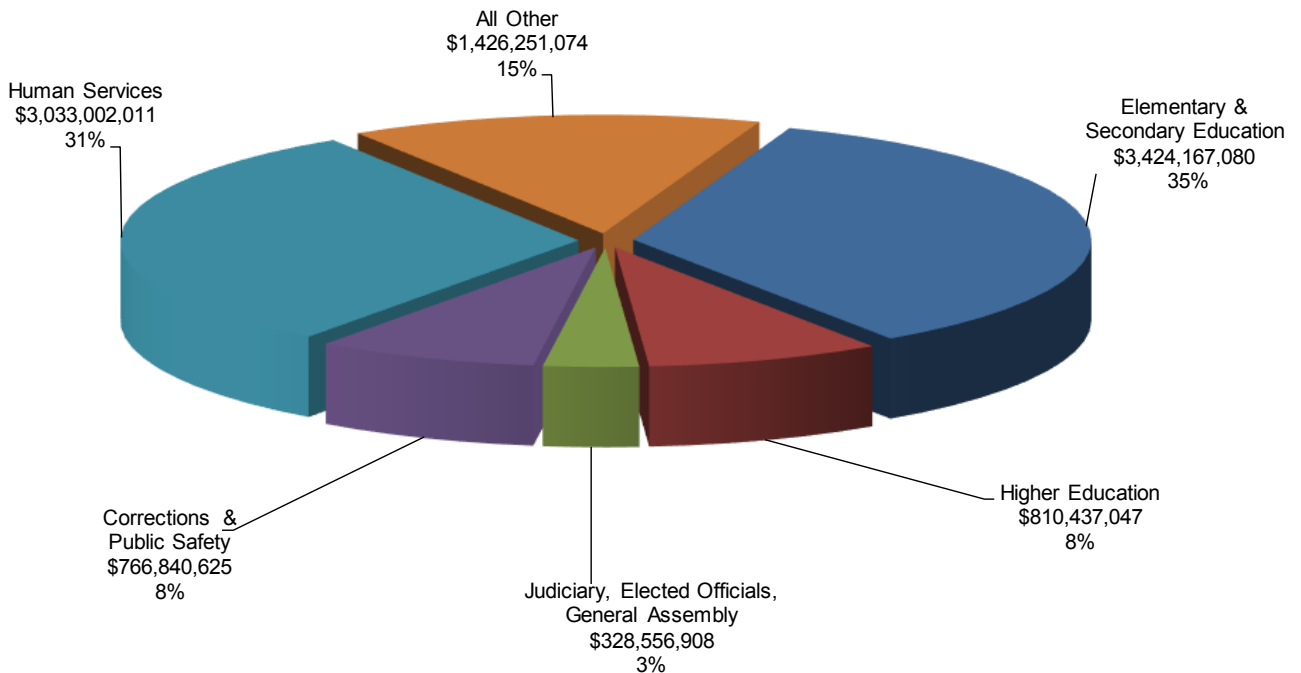
| <b><u>RESOURCES</u></b>            | <b><u>FY 2017</u></b>   | <b><u>FY 2018</u></b>   | <b><u>FY 2019</u></b>   |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| Beginning Balance                  | \$ 21,060,407           | \$ 5,074,991            | \$ 70,447,906           |
| Previous Year's Lapse <sup>1</sup> | 132,169,848             | 162,833,420             | 110,066,308             |
| Revenue Collections                | 10,432,134,347          | 10,678,800,000          | 10,980,000,000          |
| Refunds                            | (1,415,892,382)         | (1,489,900,000)         | (1,561,800,000)         |
| Collection Additions               | 0                       | 267,700,000             | 250,000,000             |
| Transfers to Fund                  | 154,525,495             | 129,900,000             | 119,900,000             |
| <b>Total Resources Available</b>   | <b>\$ 9,323,997,715</b> | <b>\$ 9,754,408,411</b> | <b>\$ 9,968,614,214</b> |
| <br>                               |                         |                         |                         |
| <b><u>OBLIGATIONS</u></b>          |                         |                         |                         |
| Operating Appropriations           | \$ 9,526,396,598        | \$ 9,367,307,893        | \$ 9,789,254,745        |
| Capital Appropriations             | 120,500,000             | 82,400,000              | 92,597,292              |
| Capital Reappropriations           | 27,530,640              | 18,976,152              | 5,066,308               |
| Supplemental                       | 43,647,939              | 430,966,833             | 125,000,000             |
| Increased estimates                | 24,962,739              | 0                       | 0                       |
| Confirmed Lapse                    | (4,750,000)             | (16,300,000)            | (8,000,000)             |
| Expenditure Restrictions           | (419,365,192)           | (199,390,373)           | (40,000,000)            |
| <b>Total Obligations</b>           | <b>\$ 9,318,922,724</b> | <b>\$ 9,683,960,505</b> | <b>\$ 9,963,918,345</b> |
| <br>                               |                         |                         |                         |
| Ending Balance                     | \$ 5,074,991            | \$ 70,447,906           | \$ 4,695,869            |

### **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.

### **FY 2019 GOVERNOR'S RECOMMENDED OPERATING BUDGET—GENERAL REVENUE**

**Total Appropriations\* \$9,789,254,745**



\*Excludes refunds

## FY 2019 BUDGET SUMMARY

| House<br><u>Bill</u>                               | <u>FY 2017<br/>Expenditures</u> | <u>FY 2018<br/>Available<br/>Appropriations**</u> | <u>Governor's<br/>Recommendation<br/>FY 2019</u> | <u>Difference</u> |
|----------------------------------------------------|---------------------------------|---------------------------------------------------|--------------------------------------------------|-------------------|
| <b>1 <u>Public Debt</u></b>                        |                                 |                                                   |                                                  |                   |
| General Revenue                                    | 52,884,413                      | 40,014,997                                        | 22,779,846                                       | (17,235,151)      |
| Federal Funds                                      | 0                               | 0                                                 | 0                                                | 0                 |
| Other Funds                                        | 2,539,051                       | 1,742,287                                         | 1,275,213                                        | (467,074)         |
| Total                                              | 55,423,464                      | 41,757,284                                        | 24,055,059                                       | (17,702,225)      |
| <b>2 <u>Elementary and Secondary Education</u></b> |                                 |                                                   |                                                  |                   |
| General Revenue                                    | 3,296,888,881                   | 3,354,310,402                                     | 3,424,167,080                                    | 69,856,678        |
| Federal Funds                                      | 1,013,128,945                   | 1,109,671,551                                     | 1,111,379,031                                    | 1,707,480         |
| Other Funds                                        | 1,504,005,928                   | 1,553,581,029                                     | 1,569,492,568                                    | 15,911,539        |
| Total                                              | 5,814,023,754                   | 6,017,562,982                                     | 6,105,038,679                                    | 87,475,697        |
| <b>3 <u>Higher Education</u></b>                   |                                 |                                                   |                                                  |                   |
| General Revenue                                    | 878,137,450                     | 873,919,459                                       | 810,437,047                                      | (63,482,412)      |
| Federal Funds                                      | 1,117,890                       | 2,248,806                                         | 2,249,457                                        | 651               |
| Other Funds                                        | 239,711,373                     | 283,405,649                                       | 285,844,966                                      | 2,439,317         |
| Total                                              | 1,118,966,713                   | 1,159,573,914                                     | 1,098,531,470                                    | (61,042,444)      |
| <b>4 <u>Revenue</u></b>                            |                                 |                                                   |                                                  |                   |
| General Revenue                                    | 77,419,577                      | 68,728,729                                        | 69,809,905                                       | 1,081,176         |
| Federal Funds                                      | 2,471,860                       | 4,111,573                                         | 4,114,654                                        | 3,081             |
| Other Funds                                        | 407,892,903                     | 440,571,129                                       | 453,639,892                                      | 13,068,763        |
| Total                                              | 487,784,340                     | 513,411,431                                       | 527,564,451                                      | 14,153,020        |
| <b>4 <u>Transportation</u></b>                     |                                 |                                                   |                                                  |                   |
| General Revenue                                    | 11,657,652                      | 11,794,130                                        | 9,794,129                                        | (2,000,001)       |
| Federal Funds                                      | 81,937,282                      | 144,605,962                                       | 134,919,098                                      | (9,686,864)       |
| Other Funds                                        | 1,923,137,420                   | 2,123,863,550                                     | 2,389,585,399                                    | 265,721,849       |
| Total                                              | 2,016,732,354                   | 2,280,263,642                                     | 2,534,298,626                                    | 254,034,984       |
| <b>5 <u>Office of Administration</u></b>           |                                 |                                                   |                                                  |                   |
| General Revenue                                    | 178,855,434                     | 220,921,838                                       | 489,519,845                                      | 268,598,007       |
| Federal Funds                                      | 50,799,991                      | 81,110,186                                        | 81,110,641                                       | 455               |
| Other Funds                                        | 32,786,306                      | 59,177,545                                        | 66,655,195                                       | 7,477,650         |
| Total                                              | 262,441,731                     | 361,209,569                                       | 637,285,681                                      | 276,076,112       |
| <b>5 <u>Employee Benefits</u></b>                  |                                 |                                                   |                                                  |                   |
| General Revenue                                    | 555,040,313                     | 593,926,712                                       | 651,447,403                                      | 57,520,691        |
| Federal Funds                                      | 187,317,430                     | 216,798,270                                       | 238,192,176                                      | 21,393,906        |
| Other Funds                                        | 165,570,420                     | 191,727,160                                       | 206,666,992                                      | 14,939,832        |
| Total                                              | 907,928,163                     | 1,002,452,142                                     | 1,096,306,571                                    | 93,854,429        |



## FY 2019 BUDGET SUMMARY

| House<br><u>Bill</u> | FY 2017<br><u>Expenditures</u>                      | FY 2018<br>Available<br><u>Appropriations**</u> | Governor's<br>Recommendation<br><u>FY 2019</u> | <u>Difference</u> |
|----------------------|-----------------------------------------------------|-------------------------------------------------|------------------------------------------------|-------------------|
| <b>6</b>             | <b><u>Agriculture</u></b>                           |                                                 |                                                |                   |
| General Revenue      | 8,312,230                                           | 6,295,340                                       | 6,131,752                                      | (163,588)         |
| Federal Funds        | 3,284,609                                           | 7,981,633                                       | 5,124,771                                      | (2,856,862)       |
| Other Funds          | 20,721,553                                          | 25,687,616                                      | 24,690,242                                     | (997,374)         |
| Total                | 32,318,392                                          | 39,964,589                                      | 35,946,765                                     | (4,017,824)       |
| <b>6</b>             | <b><u>Natural Resources</u></b>                     |                                                 |                                                |                   |
| General Revenue      | 10,618,219                                          | 11,730,552                                      | 12,216,293                                     | 485,741           |
| Federal Funds        | 25,800,220                                          | 48,023,808                                      | 47,933,165                                     | (90,643)          |
| Other Funds          | 337,527,072                                         | 520,572,332                                     | 532,681,266                                    | 12,108,934        |
| Total                | 373,945,511                                         | 580,326,692                                     | 592,830,724                                    | 12,504,032        |
| <b>6</b>             | <b><u>Conservation</u></b>                          |                                                 |                                                |                   |
| General Revenue      | 0                                                   | 0                                               | 0                                              | 0                 |
| Federal Funds        | 0                                                   | 0                                               | 0                                              | 0                 |
| Other Funds          | 142,747,420                                         | 154,559,867                                     | 161,731,853                                    | 7,171,986         |
| Total                | 142,747,420                                         | 154,559,867                                     | 161,731,853                                    | 7,171,986         |
| <b>7</b>             | <b><u>Economic Development</u></b>                  |                                                 |                                                |                   |
| General Revenue      | 73,676,609                                          | 60,705,605                                      | 89,055,569                                     | 28,349,964        |
| Federal Funds        | 111,247,571                                         | 161,859,104                                     | 159,490,566                                    | (2,368,538)       |
| Other Funds          | 37,722,827                                          | 69,529,852                                      | 68,555,169                                     | (974,683)         |
| Total                | 222,647,007                                         | 292,094,561                                     | 317,101,304                                    | 25,006,743        |
|                      | <b><u>Insurance, Financial Institutions and</u></b> |                                                 |                                                |                   |
| <b>7</b>             | <b><u>Professional Registration</u></b>             |                                                 |                                                |                   |
| General Revenue      | 0                                                   | 0                                               | 0                                              | 0                 |
| Federal Funds        | 1,220,000                                           | 1,250,000                                       | 1,250,000                                      | 0                 |
| Other Funds          | 34,402,038                                          | 42,577,712                                      | 44,508,785                                     | 1,931,073         |
| Total                | 35,622,038                                          | 43,827,712                                      | 45,758,785                                     | 1,931,073         |
| <b>7</b>             | <b><u>Labor and Industrial Relations</u></b>        |                                                 |                                                |                   |
| General Revenue      | 1,908,836                                           | 2,125,460                                       | 2,024,620                                      | (100,840)         |
| Federal Funds        | 35,075,627                                          | 53,376,729                                      | 53,601,048                                     | 224,319           |
| Other Funds          | 112,901,699                                         | 155,714,052                                     | 146,660,227                                    | (9,053,825)       |
| Total                | 149,886,162                                         | 211,216,241                                     | 202,285,895                                    | (8,930,346)       |
| <b>8</b>             | <b><u>Public Safety</u></b>                         |                                                 |                                                |                   |
| General Revenue      | 55,826,849                                          | 69,937,501                                      | 71,591,529                                     | 1,654,028         |
| Federal Funds        | 150,428,143                                         | 212,011,007                                     | 213,029,202                                    | 1,018,195         |
| Other Funds          | 378,693,309                                         | 420,140,699                                     | 434,200,217                                    | 14,059,518        |
| Total                | 584,948,301                                         | 702,089,207                                     | 718,820,948                                    | 16,731,741        |

## FY 2019 BUDGET SUMMARY

| House<br><u>Bill</u>                        | <u>FY 2017<br/>Expenditures</u> | <u>FY 2018<br/>Available<br/>Appropriations**</u> | <u>Governor's<br/>Recommendation<br/>FY 2019</u> | <u>Difference</u> |
|---------------------------------------------|---------------------------------|---------------------------------------------------|--------------------------------------------------|-------------------|
| <b>9 <u>Corrections</u></b>                 |                                 |                                                   |                                                  |                   |
| General Revenue                             | 653,832,650                     | 676,677,958                                       | 695,249,096                                      | 18,571,138        |
| Federal Funds                               | 2,449,810                       | 5,042,846                                         | 4,719,989                                        | (322,857)         |
| Other Funds                                 | 29,628,082                      | 42,848,644                                        | 78,462,044                                       | 35,613,400        |
| Total                                       | 685,910,542                     | 724,569,448                                       | 778,431,129                                      | 53,861,681        |
| <b>10 <u>Mental Health</u></b>              |                                 |                                                   |                                                  |                   |
| General Revenue                             | 802,150,212                     | 783,295,991                                       | 807,085,543                                      | 23,789,552        |
| Federal Funds                               | 973,201,586                     | 1,324,931,255                                     | 1,352,135,502                                    | 27,204,247        |
| Other Funds                                 | 38,963,578                      | 49,829,446                                        | 48,385,831                                       | (1,443,615)       |
| Total                                       | 1,814,315,376                   | 2,158,056,692                                     | 2,207,606,876                                    | 49,550,184        |
| <b>10 <u>Health and Senior Services</u></b> |                                 |                                                   |                                                  |                   |
| General Revenue                             | 386,189,735                     | 374,238,532                                       | 389,269,371                                      | 15,030,839        |
| Federal Funds                               | 932,397,085                     | 994,051,547                                       | 1,014,593,055                                    | 20,541,508        |
| Other Funds                                 | 17,003,754                      | 44,404,811                                        | 22,626,563                                       | (21,778,248)      |
| Total                                       | 1,335,590,574                   | 1,412,694,890                                     | 1,426,488,989                                    | 13,794,099        |
| <b>11 <u>Social Services</u></b>            |                                 |                                                   |                                                  |                   |
| General Revenue                             | 1,690,413,721                   | 1,682,450,910                                     | 1,836,647,097                                    | 154,196,187       |
| Federal Funds                               | 4,566,272,103                   | 4,827,536,467                                     | 4,997,797,506                                    | 170,261,039       |
| Other Funds                                 | 2,472,696,156                   | 2,813,973,020                                     | 2,866,217,128                                    | 52,244,108        |
| Total                                       | 8,729,381,980                   | 9,323,960,397                                     | 9,700,661,731                                    | 376,701,334       |
| <b>12 <u>Elected Officials</u></b>          |                                 |                                                   |                                                  |                   |
| General Revenue                             | 62,659,331                      | 50,788,777                                        | 54,421,848                                       | 3,633,071         |
| Federal Funds                               | 11,786,110                      | 22,516,751                                        | 21,120,496                                       | (1,396,255)       |
| Other Funds                                 | 58,938,974                      | 68,643,844                                        | 52,056,982                                       | (16,586,862)      |
| Total                                       | 133,384,415                     | 141,949,372                                       | 127,599,326                                      | (14,350,046)      |
| <b>12 <u>Judiciary</u></b>                  |                                 |                                                   |                                                  |                   |
| General Revenue                             | 183,088,051                     | 189,517,872                                       | 195,543,474                                      | 6,025,602         |
| Federal Funds                               | 10,579,793                      | 14,478,318                                        | 14,578,743                                       | 100,425           |
| Other Funds                                 | 10,921,718                      | 12,421,916                                        | 12,443,691                                       | 21,775            |
| Total                                       | 204,589,562                     | 216,418,106                                       | 222,565,908                                      | 6,147,802         |
| <b>12 <u>Public Defender</u></b>            |                                 |                                                   |                                                  |                   |
| General Revenue                             | 37,997,579                      | 42,497,581                                        | 42,625,391                                       | 127,810           |
| Federal Funds                               | 0                               | 125,000                                           | 125,000                                          | 0                 |
| Other Funds                                 | 1,032,482                       | 2,985,943                                         | 2,986,593                                        | 650               |
| Total                                       | 39,030,061                      | 45,608,524                                        | 45,736,984                                       | 128,460           |
| <b>12 <u>General Assembly</u></b>           |                                 |                                                   |                                                  |                   |
| General Revenue                             | 32,849,762                      | 35,593,312                                        | 35,966,195                                       | 372,883           |
| Federal Funds                               | 0                               | 0                                                 | 0                                                | 0                 |
| Other Funds                                 | 389,402                         | 395,739                                           | 396,389                                          | 650               |
| Total                                       | 33,239,164                      | 35,989,051                                        | 36,362,584                                       | 373,533           |

## FY 2019 BUDGET SUMMARY

| House<br>Bill                                        | FY 2017<br>Expenditures | FY 2018<br>Available<br>Appropriations** | Governor's<br>Recommendation<br>FY 2019 | Difference    |
|------------------------------------------------------|-------------------------|------------------------------------------|-----------------------------------------|---------------|
| <b>13 Real Estate</b>                                |                         |                                          |                                         |               |
| General Revenue                                      | 68,743,230              | 72,094,096                               | 73,471,712                              | 1,377,616     |
| Federal Funds                                        | 16,548,547              | 19,061,314                               | 19,408,156                              | 346,842       |
| Other Funds                                          | 13,357,041              | 13,832,777                               | 14,220,544                              | 387,767       |
| Total                                                | 98,648,818              | 104,988,187                              | 107,100,412                             | 2,112,225     |
| <b>14 Operating Supplemental</b>                     |                         |                                          |                                         |               |
| General Revenue                                      |                         | 430,966,833                              |                                         |               |
| Federal Funds                                        |                         | 353,526,686                              |                                         |               |
| Other Funds                                          |                         | 199,383,053                              |                                         |               |
| Total                                                |                         | 983,876,572                              |                                         |               |
| <b>Total Operating Budget</b>                        |                         |                                          |                                         |               |
| General Revenue                                      | 9,119,150,734           | 9,652,532,587                            | 9,789,254,745                           | 136,722,158   |
| Federal Funds                                        | 8,177,064,602           | 9,604,318,813                            | 9,476,872,256                           | (127,446,557) |
| Other Funds                                          | 7,983,290,506           | 9,291,569,672                            | 9,483,983,749                           | 192,414,077   |
| Total                                                | 25,279,505,842          | 28,548,421,072                           | 28,750,110,750                          | 201,689,678   |
| <b>Capital Improvements - One-Time<br/>Projects*</b> |                         |                                          |                                         |               |
| General Revenue                                      | 33,957,082              | 28,751,766                               | 92,597,292                              | 63,845,526    |
| Federal Funds                                        | 9,403,618               | 10,900,000                               | 42,500,000                              | 31,600,000    |
| Other Funds                                          | 227,270,650             | 78,569,737                               | 135,803,602                             | 57,233,865    |
| Total                                                | 270,631,350             | 118,221,503                              | 270,900,894                             | 152,679,391   |
| <b>Grand Total</b>                                   |                         |                                          |                                         |               |
| General Revenue                                      | 9,153,107,816           | 9,681,284,353                            | 9,881,852,037                           | 200,567,684   |
| Federal Funds                                        | 8,186,468,220           | 9,615,218,813                            | 9,519,372,256                           | (95,846,557)  |
| Other Funds                                          | 8,210,561,156           | 9,370,139,409                            | 9,619,787,351                           | 249,647,942   |
| Total                                                | 25,550,137,192          | 28,666,642,575                           | 29,021,011,644                          | 354,369,069   |

\* Reappropriations are recognized in the budget in the first year they are appropriated. Expenditures from reappropriations are recognized in the year in which the expenditure occurred.

\*\* FY 2018 Available Appropriations reflect expenditure restrictions.

## FY 2019 FTE SUMMARY

| House<br><u>Bill</u>                               | FY 2017<br><u>Budget</u> | FY 2018<br><u>Budget</u> | Governor's<br>Recommendation<br><u>FY 2019</u> |
|----------------------------------------------------|--------------------------|--------------------------|------------------------------------------------|
| <b>1 <u>Public Debt</u></b>                        |                          |                          |                                                |
| General Revenue                                    | 0.00                     | 0.00                     | 0.00                                           |
| Federal Funds                                      | 0.00                     | 0.00                     | 0.00                                           |
| Other Funds                                        | 0.00                     | 0.00                     | 0.00                                           |
| Total                                              | 0.00                     | 0.00                     | 0.00                                           |
| <b>2 <u>Elementary and Secondary Education</u></b> |                          |                          |                                                |
| General Revenue                                    | 821.50                   | 811.25                   | 787.52                                         |
| Federal Funds                                      | 854.26                   | 853.51                   | 852.51                                         |
| Other Funds                                        | 18.00                    | 18.75                    | 18.75                                          |
| Total                                              | 1,693.76                 | 1,683.51                 | 1,658.78                                       |
| <b>3 <u>Higher Education</u></b>                   |                          |                          |                                                |
| General Revenue                                    | 14.03                    | 14.03                    | 14.03                                          |
| Federal Funds                                      | 1.00                     | 1.00                     | 1.00                                           |
| Other Funds                                        | 64.67                    | 64.67                    | 63.67                                          |
| Total                                              | 79.70                    | 79.70                    | 78.70                                          |
| <b>4 <u>Revenue</u></b>                            |                          |                          |                                                |
| General Revenue                                    | 901.52                   | 909.02                   | 892.02                                         |
| Federal Funds                                      | 6.74                     | 4.74                     | 4.74                                           |
| Other Funds                                        | 420.79                   | 420.79                   | 426.79                                         |
| Total                                              | 1,329.05                 | 1,334.55                 | 1,323.55                                       |
| <b>4 <u>Transportation</u></b>                     |                          |                          |                                                |
| General Revenue                                    | 0.00                     | 0.00                     | 0.00                                           |
| Federal Funds                                      | 15.41                    | 15.29                    | 15.29                                          |
| Other Funds                                        | 5,640.46                 | 5,540.58                 | 5,540.58                                       |
| Total                                              | 5,655.87                 | 5,555.87                 | 5,555.87                                       |
| <b>5 <u>Office of Administration</u></b>           |                          |                          |                                                |
| General Revenue                                    | 654.35                   | 658.10                   | 664.60                                         |
| Federal Funds                                      | 321.29                   | 321.29                   | 321.29                                         |
| Other Funds                                        | 915.83                   | 910.83                   | 908.83                                         |
| Total                                              | 1,891.47                 | 1,890.22                 | 1,894.72                                       |
| <b>6 <u>Agriculture</u></b>                        |                          |                          |                                                |
| General Revenue                                    | 89.14                    | 88.14                    | 88.14                                          |
| Federal Funds                                      | 43.21                    | 47.21                    | 47.21                                          |
| Other Funds                                        | 322.16                   | 320.41                   | 320.41                                         |
| Total                                              | 454.51                   | 455.76                   | 455.76                                         |
| <b>6 <u>Natural Resources</u></b>                  |                          |                          |                                                |
| General Revenue                                    | 133.45                   | 133.45                   | 129.95                                         |
| Federal Funds                                      | 379.36                   | 341.57                   | 339.82                                         |
| Other Funds                                        | 1,189.31                 | 1,217.60                 | 1,217.28                                       |
| Total                                              | 1,702.12                 | 1,692.62                 | 1,687.05                                       |

## FY 2019 FTE SUMMARY

| House<br><u>Bill</u> | FY 2017<br><u>Budget</u>                                                      | FY 2018<br><u>Budget</u> | Governor's<br>Recommendation<br><u>FY 2019</u> |
|----------------------|-------------------------------------------------------------------------------|--------------------------|------------------------------------------------|
| <b>6</b>             | <b><u>Conservation</u></b>                                                    |                          |                                                |
| General Revenue      | 0.00                                                                          | 0.00                     | 0.00                                           |
| Federal Funds        | 0.00                                                                          | 0.00                     | 0.00                                           |
| Other Funds          | 1,812.81                                                                      | 1,812.81                 | 1,812.81                                       |
| Total                | 1,812.81                                                                      | 1,812.81                 | 1,812.81                                       |
| <b>7</b>             | <b><u>Economic Development</u></b>                                            |                          |                                                |
| General Revenue      | 69.89                                                                         | 34.74                    | 65.36                                          |
| Federal Funds        | 523.81                                                                        | 502.03                   | 498.67                                         |
| Other Funds          | 301.55                                                                        | 328.44                   | 298.18                                         |
| Total                | 895.25                                                                        | 865.21                   | 862.21                                         |
| <b>7</b>             | <b><u>Insurance, Financial Institutions and Professional Registration</u></b> |                          |                                                |
| General Revenue      | 0.00                                                                          | 0.00                     | 0.00                                           |
| Federal Funds        | 21.00                                                                         | 0.00                     | 0.00                                           |
| Other Funds          | 576.33                                                                        | 581.58                   | 567.08                                         |
| Total                | 597.33                                                                        | 581.58                   | 567.08                                         |
| <b>7</b>             | <b><u>Labor and Industrial Relations</u></b>                                  |                          |                                                |
| General Revenue      | 27.81                                                                         | 22.12                    | 19.72                                          |
| Federal Funds        | 602.31                                                                        | 614.24                   | 613.54                                         |
| Other Funds          | 192.84                                                                        | 177.16                   | 185.36                                         |
| Total                | 822.96                                                                        | 813.52                   | 818.62                                         |
| <b>8</b>             | <b><u>Public Safety</u></b>                                                   |                          |                                                |
| General Revenue      | 467.82                                                                        | 488.07                   | 486.07                                         |
| Federal Funds        | 434.83                                                                        | 431.83                   | 430.83                                         |
| Other Funds          | 4,145.05                                                                      | 4,150.55                 | 4,154.55                                       |
| Total                | 5,047.70                                                                      | 5,070.45                 | 5,071.45                                       |
| <b>9</b>             | <b><u>Corrections</u></b>                                                     |                          |                                                |
| General Revenue      | 10,961.85                                                                     | 10,953.85                | 10,950.35                                      |
| Federal Funds        | 43.00                                                                         | 43.00                    | 43.00                                          |
| Other Funds          | 239.00                                                                        | 239.00                   | 239.00                                         |
| Total                | 11,243.85                                                                     | 11,235.85                | 11,232.35                                      |
| <b>10</b>            | <b><u>Mental Health</u></b>                                                   |                          |                                                |
| General Revenue      | 4,839.34                                                                      | 4,886.42                 | 4,897.63                                       |
| Federal Funds        | 2,337.15                                                                      | 2,318.65                 | 2,296.14                                       |
| Other Funds          | 65.50                                                                         | 54.50                    | 45.50                                          |
| Total                | 7,241.99                                                                      | 7,259.57                 | 7,239.27                                       |
| <b>10</b>            | <b><u>Health and Senior Services</u></b>                                      |                          |                                                |
| General Revenue      | 654.57                                                                        | 654.57                   | 651.07                                         |
| Federal Funds        | 976.95                                                                        | 969.95                   | 972.95                                         |
| Other Funds          | 128.52                                                                        | 128.52                   | 128.52                                         |
| Total                | 1,760.04                                                                      | 1,753.04                 | 1,752.54                                       |

## FY 2019 FTE SUMMARY

| House<br><u>Bill</u>               | FY 2017<br><u>Budget</u> | FY 2018<br><u>Budget</u> | Governor's<br>Recommendation<br><u>FY 2019</u> |
|------------------------------------|--------------------------|--------------------------|------------------------------------------------|
| <b>11 <u>Social Services</u></b>   |                          |                          |                                                |
| General Revenue                    | 1,879.17                 | 1,863.11                 | 1,862.33                                       |
| Federal Funds                      | 4,623.01                 | 4,572.07                 | 4,549.35                                       |
| Other Funds                        | 359.93                   | 360.93                   | 363.93                                         |
| Total                              | 6,862.11                 | 6,796.11                 | 6,775.61                                       |
| <b>12 <u>Elected Officials</u></b> |                          |                          |                                                |
| General Revenue                    | 635.33                   | 621.08                   | 622.58                                         |
| Federal Funds                      | 93.51                    | 94.51                    | 95.26                                          |
| Other Funds                        | 246.68                   | 246.93                   | 247.68                                         |
| Total                              | 975.52                   | 962.52                   | 965.52                                         |
| <b>12 <u>Judiciary</u></b>         |                          |                          |                                                |
| General Revenue                    | 3,211.30                 | 3,213.30                 | 3,213.30                                       |
| Federal Funds                      | 168.25                   | 168.25                   | 168.25                                         |
| Other Funds                        | 58.50                    | 58.50                    | 58.50                                          |
| Total                              | 3,438.05                 | 3,440.05                 | 3,440.05                                       |
| <b>12 <u>Public Defender</u></b>   |                          |                          |                                                |
| General Revenue                    | 595.13                   | 595.13                   | 595.13                                         |
| Federal Funds                      | 0.00                     | 0.00                     | 0.00                                           |
| Other Funds                        | 2.00                     | 2.00                     | 2.00                                           |
| Total                              | 597.13                   | 597.13                   | 597.13                                         |
| <b>12 <u>General Assembly</u></b>  |                          |                          |                                                |
| General Revenue                    | 687.92                   | 685.92                   | 685.92                                         |
| Federal Funds                      | 0.00                     | 0.00                     | 0.00                                           |
| Other Funds                        | 1.25                     | 1.25                     | 1.25                                           |
| Total                              | 689.17                   | 687.17                   | 687.17                                         |
| <b><u>Total Budget</u></b>         |                          |                          |                                                |
| General Revenue                    | 26,644.12                | 26,632.30                | 26,625.72                                      |
| Federal Funds                      | 11,445.09                | 11,299.14                | 11,249.85                                      |
| Other Funds                        | 16,701.18                | 16,635.80                | 16,600.67                                      |
| Total                              | 54,790.39                | 54,567.24                | 54,476.24                                      |

## SUPPLEMENTAL RECOMMENDATIONS FISCAL YEAR 2018

|                                                  | <u>GENERAL</u><br><u>REVENUE</u> | <u>FEDERAL</u><br><u>FUNDS</u> | <u>OTHER</u><br><u>FUNDS</u> | <u>TOTAL</u>          |
|--------------------------------------------------|----------------------------------|--------------------------------|------------------------------|-----------------------|
| Department of Elementary and Secondary Education | \$ 4,000,000                     | \$ 1,000,000                   | \$ 0                         | \$ 5,000,000          |
| Department of Revenue                            | 5,188                            | 0                              | 9,200,001                    | 9,205,189             |
| Department of Transportation                     | 94,230                           | 1,000,000                      | 1,680,000                    | 2,774,230             |
| Office of Administration                         | 270,881,075                      | 0                              | 7,922,000                    | 278,803,075           |
| Department of Conservation                       | 0                                | 0                              | 2,500,000                    | 2,500,000             |
| Department of Economic Development               | 0                                | 400,000                        | 1,800,000                    | 2,200,000             |
| Department of Public Safety                      | 4,300,000                        | 0                              | 82,000                       | 4,382,000             |
| Department of Corrections                        | 5,035,680                        | 0                              | 0                            | 5,035,680             |
| Department of Mental Health                      | 6,174,283                        | 4,621,980                      | 2,279,638                    | 13,075,901            |
| Department of Health and Senior Services         | 20,522,367                       | 31,609,208                     | 0                            | 52,131,575            |
| Department of Social Services                    | 114,454,010                      | 314,895,498                    | 164,219,414                  | 593,568,922           |
| Elected Officials                                | 5,500,000                        | 0                              | 9,700,000                    | 15,200,000            |
| <b>TOTAL</b>                                     | <u>\$ 430,966,833</u>            | <u>\$ 353,526,686</u>          | <u>\$ 199,383,053</u>        | <u>\$ 983,876,572</u> |