



ESSAY

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MISSOURI'S BUDGET: A PRIMER

By Elias Tsapelas

KEY FINDINGS

- Missouri's budget has grown by over 31 percent since State Fiscal Year 2008.
- Each year, Missouri's elected officials put together and pass a constitutionally required balanced budget that reflects the administration's and legislature's policy priorities.
- The process for putting together and managing a balanced budget can be complicated, but the difficult decisions made regarding the expenditure of state tax dollars impact nearly every Missourian.
- Increased understanding of the budget can help policymakers make better-informed funding decisions that ensure that all tax dollars are spent on worthy projects, and can also facilitate public engagement in the legislative process.

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INTRODUCTION

It is often said that annually passing a balanced budget is the lone constitutional requirement of Missouri's General Assembly.¹ Each year the state's legislature works to craft a budget and approve funding for all of the government's various programs and services by the constitutionally defined deadline. The expenditures required to maintain Missouri's three branches of government, including the sixteen departments within the executive branch, totaled over \$28 billion in fiscal year 2019.² Since fiscal year 2008, the state's budget has grown by nearly \$7 billion (over 31 percent), with an increase of over \$500 million between fiscal year 2018 and 2019 (Figure 1). To put that into perspective, if the budget had simply grown with the rate of inflation, we only would have seen an increase of slightly greater than 17 percent between 2008 and 2019.³ Despite the alarming growth of the budget, there is no general consensus as to why, with minimal population growth or major expansion of government services, the growth of the budget continues to outpace inflation. A factor that might contribute to this lack of consensus is the complexity of the state budget, which makes it difficult for the public or policymakers to grasp the intricacies of the state's most complex cost-drivers. This primer is intended as a resource to help Missourians better understand the budget and the process through which the funding for all state programs and services is determined and approved.

THE BUDGET PROCESS

Missouri's Constitution requires a balanced budget, which means the government cannot expend more funds than there are revenues.⁴ This requirement leaves our policymakers the difficult task of deciding among many worthwhile programs and initiatives. And while many government programs have costs that continue to increase, the amount of revenue the state collects is not guaranteed to increase as well (Figure 2).

The state's fiscal year runs from July 1 to June 30, so for the rest of this primer we will consider July 1 as the start of the process. Because the budget year begins and ends in the middle of the year, it is always named for the calendar year in which it ends. For example, during the 2019 legislative session the General Assembly will be putting together the Fiscal Year 2020 budget. Each year

the legislative session runs between January and May, and in that time the budget must be drafted, put through the legislative process, and passed by both chambers of the General Assembly by 6:00 PM on the Friday following the first Monday in May.⁵

Crafting Missouri's budget follows roughly the same process every year, but because there are many steps and often-shifting timetables, Figure 3 and the following descriptions are provided.

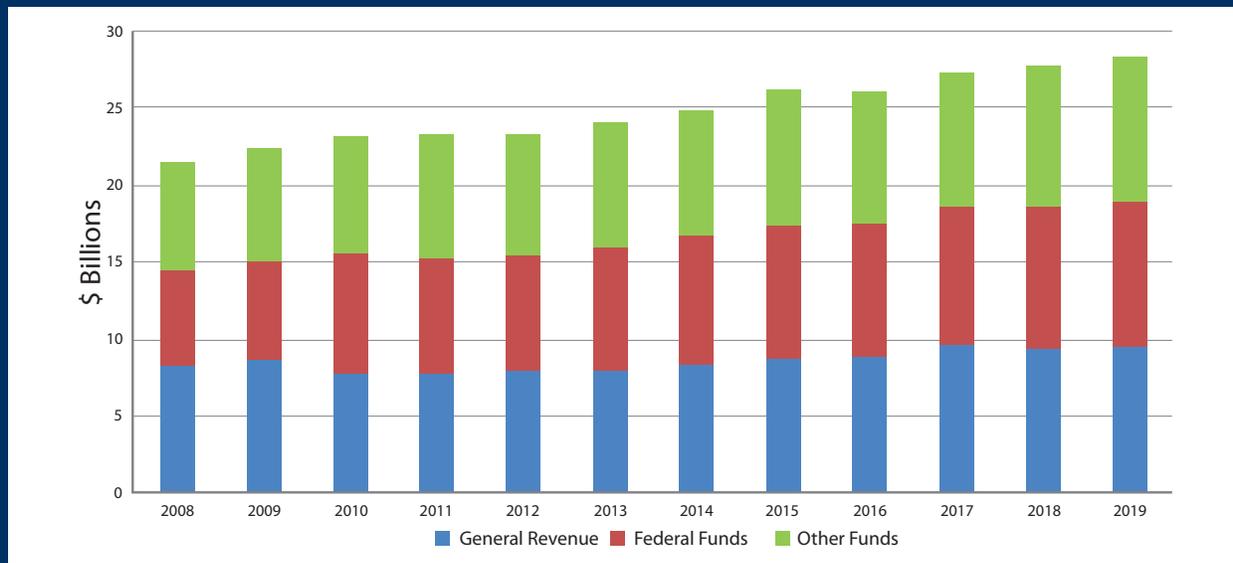
For the purposes of this primer, the process begins each September when the General Assembly meets to consider overriding the Governor's vetoes from the previous legislative session. These discussions include overrides of legislation passed, but also line-item vetoes from the current fiscal year's budget. Depending on the number of budget items that were vetoed, the House Budget Committee may hold a hearing to discuss the impact of the Governor's vetoes.

The timeline for the next fiscal year's budget begins on October 1, when the state's departments are required to submit their budget requests to the Office of Administration's Division of Budget & Planning for review and consideration in preparation for the Governor's recommendations. The department's requested budgets can be most easily described as a collection of books that describe their various programs and estimated costs for the coming fiscal year. It should be noted that the costs submitted in a department's request are subject to change, as they are simply a snapshot of what the department estimates will be needed eight months before the next fiscal year begins. Regardless of the number each agency says they need, when the budget is finally put together for approval, their totals cannot exceed the amount of revenues the state is expected to receive.

At its most basic level each department's budget can be divided into two major components: cores and increases. In fact, when looking through the table of contents of any budget book, each section's entries begin with the word "core" or "increase."⁶ Cores are the base pieces of the budget that carry forward the previous year's appropriated funding. The word "appropriation" as used in this primer refers to the spending authority granted by the legislature for use toward specifically defined purposes, as outlined in

Figure 1 Missouri Total Operating Budget (FY 2008–2019)

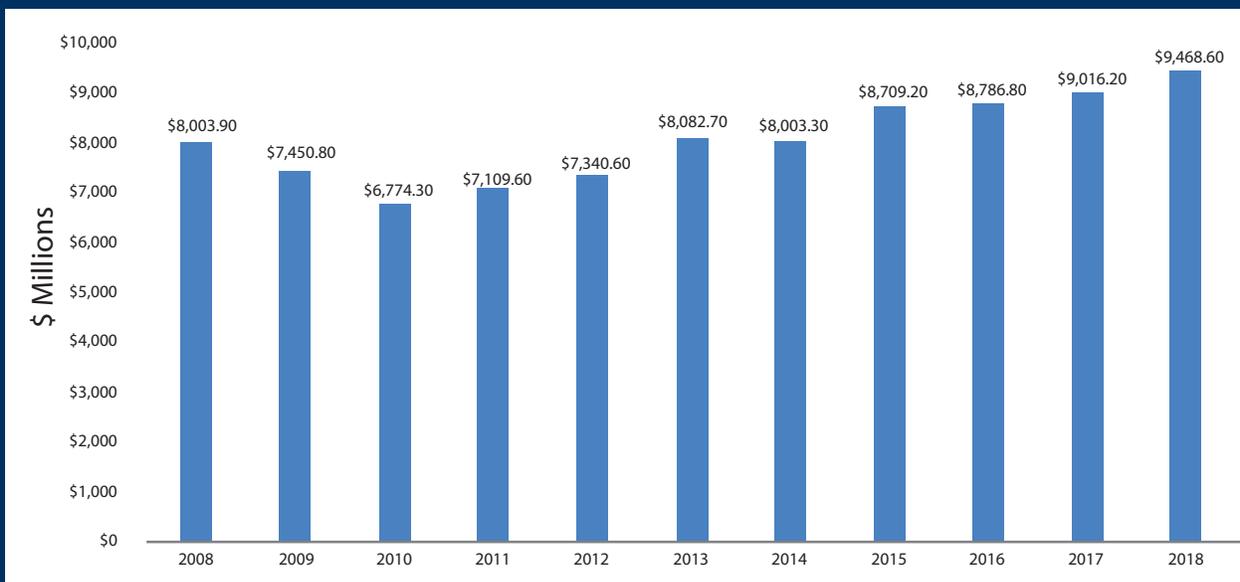
Missouri’s budget has grown by nearly \$7 billion since fiscal year 2008.



Source: Missouri House of Representatives Budget Fast Facts. Accessed January 10, 2019 at <https://house.mo.gov/budget.aspx>.

Figure 2 General Revenue Collections

The state’s General Revenue collections decreased after the 2008 recession, but have increased by nearly \$1.5 billion since 2008.



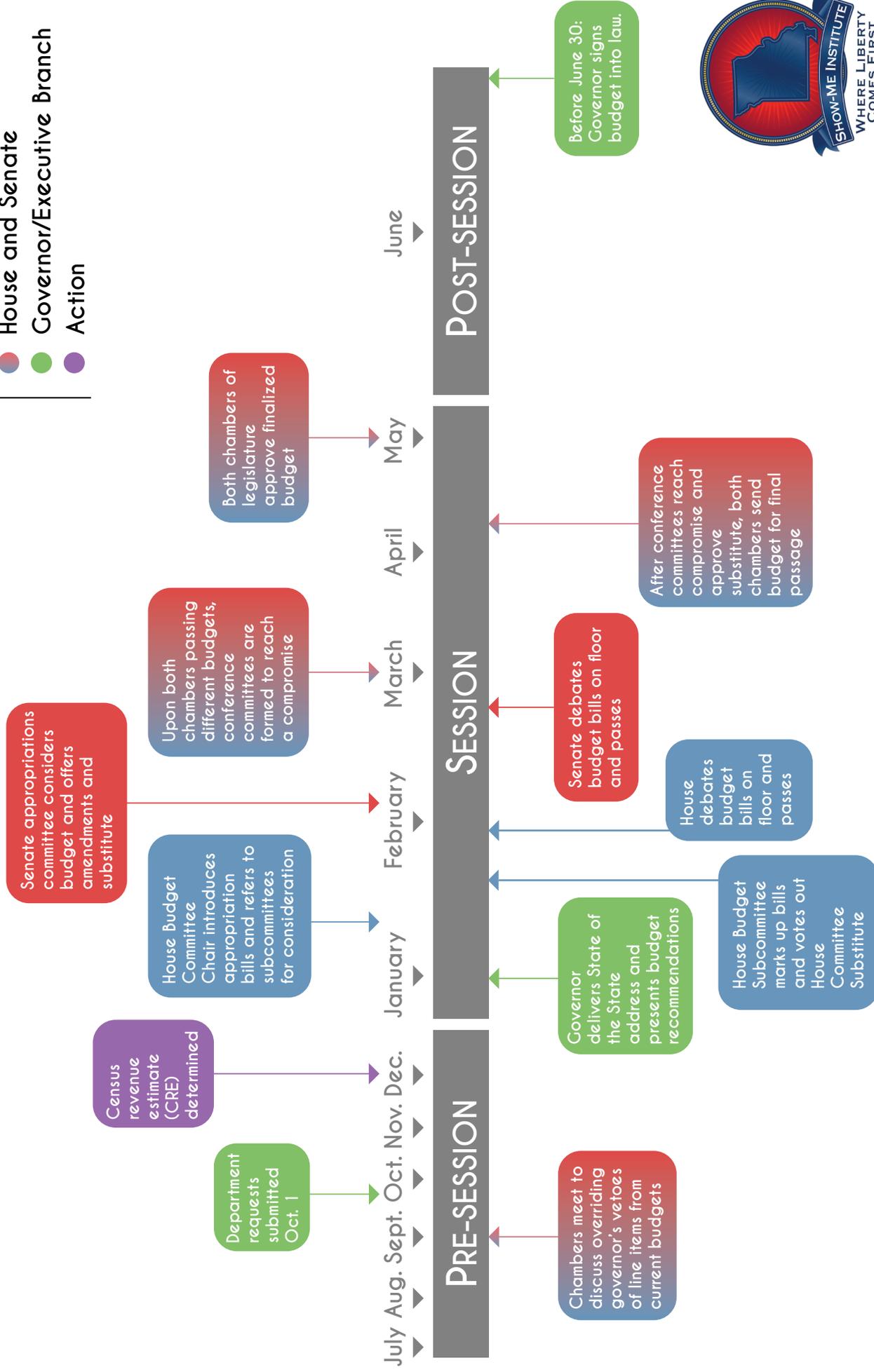
Source: Missouri House of Representatives Budget Fast Facts. Accessed January 10, 2019 at <https://house.mo.gov/budget.aspx>.

Figure 3

MISSOURI'S BUDGET PROCESS

KEY

- House
- Senate
- House and Senate
- Governor/Executive Branch
- Action



the appropriation (House) bills. It should be noted that all government expenditures require appropriation authority. This highlights an important difference between appropriation authority and government spending: Government spending requires appropriation authority, but the converse is not true. The government can always spend less than was appropriated.

It is important to understand that if a program receives funding this year, the next year's budget will begin with the same amount of funding for that program. Cores can be reduced at any stage of the budgetary process (by the department, Governor, or legislature), but can only be increased by reallocating funds from another core or as the result of an approved "New Decision Item," (NDI).

NDIs are the "increase" lines in the table of contents of the budget books. Increases are typically divided into two categories: mandatory and discretionary. The mandatories are increases that are considered necessary, though the amount of the increase could be subject to change. For example, the federal government requires that certain rates paid to Medicaid providers be adjusted yearly to account for inflation. Therefore, each year the rates with this requirement are adjusted and usually require a New Decision Item, because if they aren't adjusted, the state risks losing federal dollars for those services.⁷

The discretionary increases are the decision items that have been recommended but are not necessarily required. It is the job of the Governor and legislature to decide which discretionary items deserve funding and whether there is room for any adjustments to the mandatories. One of the primary purposes of the NDI's is to require the Governor and legislature to evaluate each area where additional funds are requested and to specifically approve those they deem deserving. All budget increases require approval. Unless an increase is considered to be a one-time cost, it will be rolled into to the applicable program core in the following year, and will no longer require specific approval. This is one way that government programs can become unmanageably costly—by slowly growing without any required mechanism for reduction.

After the department's requests are submitted, the next step of the process is the crafting of the Governor's recommended budget. But first, to ensure the recommended budget is balanced; the amount of money available to be spent must be determined (see inset Box). There are many difficulties in estimating future tax

HOW MUCH MONEY WILL BE IN THE BUDGET?

Every December the budget staffs from the House, Senate, and Governor's Office consult with economists at the University of Missouri to attempt to establish an agreed-upon estimate of the projected growth of the state's revenues for the following fiscal year. The agreed-upon amount is presented as a dollar figure or percentage change in revenue collections as compared to the previous year, and is called the Consensus Revenue Estimate (CRE). The CRE then sets the parameters for the budgetary decisions that are made throughout the rest of the budget process.

The CRE establishes an "original" estimate for the coming year and also a revised estimate for the current fiscal year. The revised estimate should be closer to the realized actual collections because that estimate is developed 6-months into the fiscal year while the original estimate is determined 6-months prior to the coming state fiscal year.

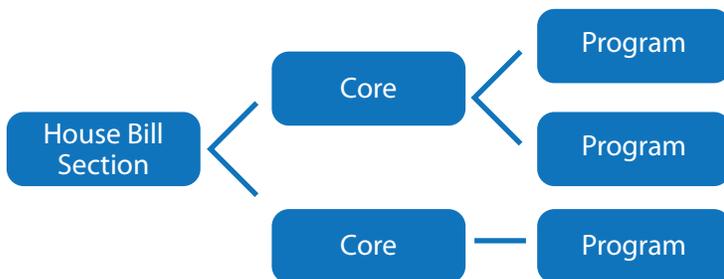
revenues for a state, and the balanced budget requirement makes those estimates even more important. Though the Consensus Revenue Estimate (CRE) is the best guess for how much money can be spent in a given year, often the actual revenues collected differ from the budgeted estimates. When collected revenues come in above the estimated amounts, the legislature must decide whether to appropriate those funds or hold onto them until the following year. If the revenues fall behind the estimates, the Governor is constitutionally required to make adjustments that maintain the balance. The Governor has a variety of tools to manage the flow of state expenditures and to maintain budget balance, which will be discussed later in this primer.

In late January, the Governor delivers the State of the State Address to a joint session of the General Assembly. The speech is usually, but not always, the occasion on which the Governor outlines budget recommendations and policy priorities for the coming year. Shortly following

the speech, the Governor typically releases budget recommendations. The recommendations are given to the legislature in the following forms:

1. An executive budget (high-level overview of total state and department spending)
2. The budget books submitted by the departments on October 1 outlining each program but updated to include the amounts the Governor recommends should be spent
3. The proposed language for the appropriation bills that will be introduced, debated, and possibly passed by the legislature*

The expenditures outlined in the Governor’s budget are recommendations for funding that can only be authorized by the legislature by their inclusion in appropriations bills. References to “appropriation bills” typically refer to the thirteen House bills that appropriate the spending authority for Missouri’s day-to-day government operations. Ten of the thirteen budget bills appropriate funds to the sixteen executive branch departments, while the remaining three fund the state’s debt obligations and the other two branches of government—legislative and judicial.⁸ Each House bill is broken into smaller sections that outline the programs or services that require funding and the amount of funds that are appropriated for those purposes. The diagram below demonstrates how the appropriation bills, cores, and programs are connected.[†]



*The Missouri Constitution requires the Governor to present recommendations to the legislature within 30 days of the beginning of session.

†In many cases, house bill sections only contain one core and that core only contains one program. The purpose of the diagram is to show their hierarchical relationship and to highlight that both can contain more than one.

WHERE DOES THE MONEY COME FROM?

When Missouri’s legislature appropriates money for any government function, it appropriates from specific funding sources. The budget’s funding sources can be divided into three major categories: general revenue, federal funds, and other funds. The General Revenue fund is almost entirely funded by tax dollars but is also where any other money received by the state is deposited unless those funds are required by statute or constitution to be deposited elsewhere. Federal funds are monies from the federal government to be spent on specified programs, such as Medicaid. Finally, “Other” funds are a catch-all for the remaining funds that serve specific purposes as outlined in state statute or in the State Constitution.

After the Governor delivers recommendations to the General Assembly, the House Budget Committee Chair typically introduces those recommendations as appropriations bills. The introduced bills are then referred to the appropriate House Budget Subcommittees on Appropriations. The subcommittees discuss their assigned departments’ budgets and hear testimony from department staff and other impacted stakeholders regarding their respective appropriation bills. The purpose of the subcommittee is to make recommendations for funding decisions that are later presented to the entire House Budget Committee.

After hearing the subcommittee’s recommendations, the House Budget Committee Chair puts together what is often called a “Chairman’s Substitute,” which incorporates many of the subcommittees’ recommendations and potentially a variety of other changes included by the

Chair. The full House Budget Committee then reviews all of the proposed changes and offers amendments of its own until the committee is in agreement on every appropriation bill. Once consensus is reached, the new versions of the appropriation bills are called the House Committee Substitutes and are voted out of committee.

The House Committee Substitutes are then brought to the floor of the House of Representatives to be debated, amended, and passed. Amendments can take the form of changes to the amount of funding a program receives or alterations to the language in the bill that authorizes that spending. It is important to note that amendments made on the House floor that will increase funds for a budget item must be accompanied by a “decreasing” amendment that lowers another budget item to pay for the original amendment.⁹ After the amendments have been considered and each bill has been passed by the body, the process moves to the Senate.

The Senate begins considering the budget long before it is sent over from the House. Early each legislative session, the Senate Appropriations Committee typically schedules hearings to begin its review of the department requests and Governor’s recommendations. Once the Senate is sent the budget, the Senate Appropriations Committee starts its formal process of review by analyzing the changes made in the House of Representatives and beginning the process of putting together a Senate Committee Substitute. The Senate Appropriations Committee marks up the budget in a different way than the House, first by going through each of the appropriations bills and examining the ways in which each has changed throughout the budget process. In each section, the committee then decides whether they will adopt the Governor’s position, adopt the House’s position, or create a new Senate position. After reaching a decision on each appropriation bill, the Senate Committee Substitutes are drafted and voted out of committee.

The Senate Committee Substitutes are then brought to the Senate floor where amendments are occasionally offered. If they are, amendments that would increase funding for a budget item are not required to be accompanied by a decreasing amendment as is required in the House of Representatives.

After both chambers pass budgets, the typical case is that the budgets passed in the two chambers are different from one another. In such cases, both chambers must agree to send their appropriations bills to a Conference Committee. Members from both the House Budget and Senate Appropriations Committees are selected for the Conference Committee and are responsible for reaching a compromise. The scale of the compromise often amounts to hundreds of millions of dollars across all state programs and services. For example, the compromise reached on the FY 2019 appropriation bill for the Department of Social Services was more than \$346 million smaller than the Senate approved yet \$106 million larger than what was passed by the House of Representatives (See Appendix 1 for further illustration of how the budget changes throughout the legislative process). Once an agreement is reached that resolves each chamber’s differences, called the Conference Committee Substitute, the compromise bills are then voted out of committee.

After approval by the Conference Committee, the Conference Committee Substitutes are returned to each chamber for final passage. At this point no further amendments can be made, and each bill must be passed by the constitutionally defined May deadline.

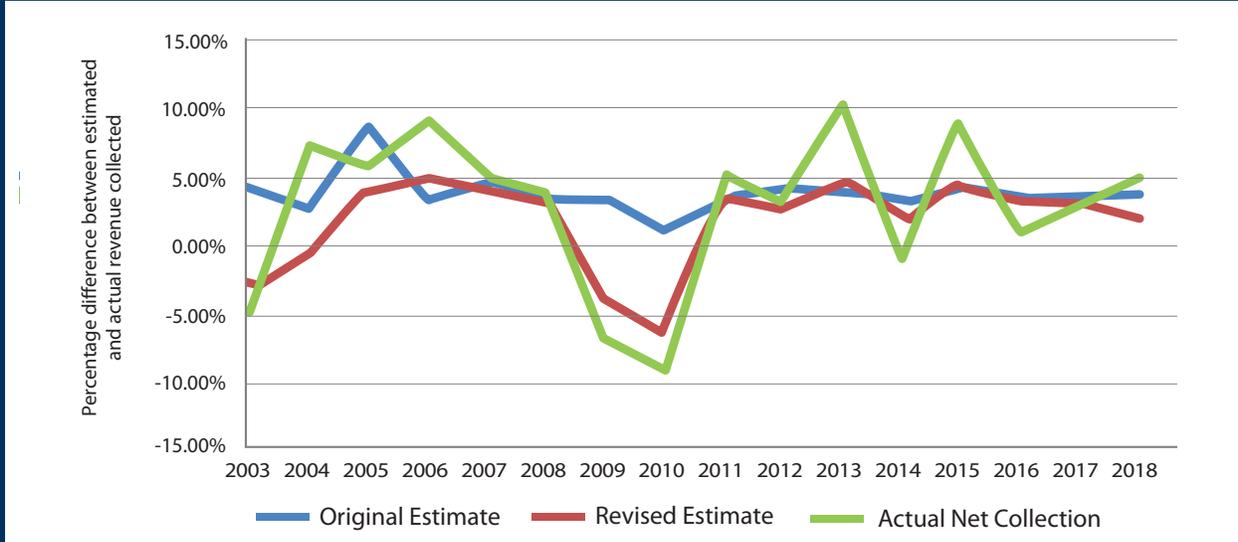
After the Conference Committee Substitutes have been approved by both chambers, the appropriations bills are sent to the Governor’s Office. The Governor then has until the beginning of the new fiscal year (July 1) to veto specific line items, veto whole bills, or sign the budget bills into law. If vetoing any approved budget item, the Governor must send the rationale for the veto to the House and the Senate for their consideration during the veto session in September.¹⁰

BUDGET MANAGEMENT

As discussed earlier, Missouri’s constitution requires the budget to be balanced, but in practice the state’s revenues and expenditures rarely match the budgeted estimates (Figure 4). The following section outlines the measures that are available to keep the government functioning while maintaining that balance.

Figure 4 Revenue Estimates and Actual Net Collections

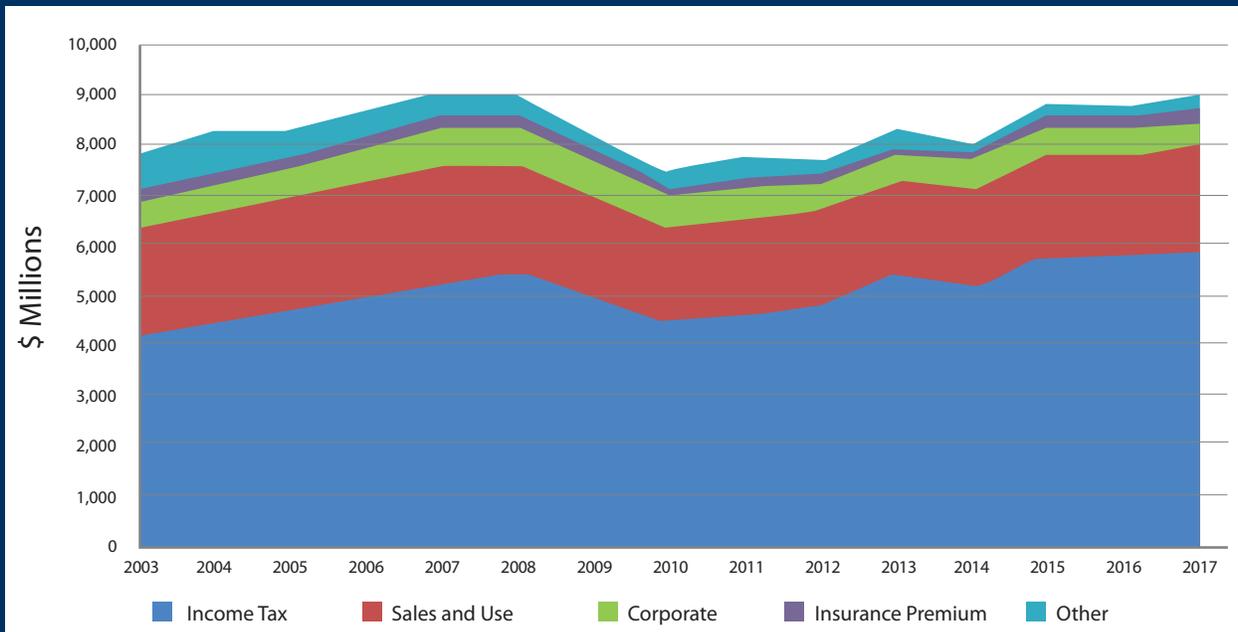
The original consensus revenue estimates often vary widely from the actual net revenue collections.



Source: Missouri House of Representatives Budget Fast Facts. Accessed January 10, 2019 at <https://house.mo.gov/budget.aspx>.

Figure 5 General Revenue Collections by Source

Missouri's individual income and sales taxes are the primary sources of General Revenue collections.



Source: Office of Missouri State Auditor, State Budget Stress Test. Accessed January 10, 2019 at: <https://app.auditor.mo.gov/Repository/Press/2018007491503.pdf> (page 5)

Each year, various government programs are determined to have been appropriated insufficient funds to make it through the rest of the fiscal year. This does not necessarily indicate a problem with the program's previously estimated expenditures, but offers a cautionary tale about the issues that arise when the budget is crafted so many months in advance of the time when the funds will be used. The cost of government programs can change from one month to another depending on the number of people who are being served and the costs of the inputs for those services. When it is determined that a program must receive additional funds, the relevant departments ask for what is called a supplemental appropriation. The supplemental budget process was not outlined earlier in the budget process because it follows a different track than the operating budget. One reason for this is that the supplemental budget appropriates funds for the current fiscal year, but is simultaneously considered while the legislature is crafting the following fiscal year's budget.

Once a department informs the Governor of its need for additional funds, the formal request for supplemental appropriations must be made by the Governor. Such requests are typically submitted in January with the rest of the budget recommendations.¹¹ The requests include only the funding needed for already-approved programs to get through the end of the year. These requests are not typically amended by the legislature because they are items that have already been approved for that year, and it is important that state programs maintain the needed appropriation authority to remain functioning. Each year when the total operating budget is put together, the preparers typically appropriate an amount less than the total estimated revenues, with the understanding that some funds will be needed for supplemental requests. One interesting feature of supplemental funding is that those increases do not roll into the department's cores for the following year.

The remaining issues for budget management involve the amount of tax revenues the state is receiving, and how that compares to the CRE used when the budget was approved. If revenues are greater than was budgeted, then more funds are available for programs. Additional revenues do not give the government the authority to spend those funds, but those funds can be beneficial if the amount included in

supplemental requests exceeds the amount of money that was originally set aside. If the government has more funds than needed for the budget and supplemental, those funds can be set aside and used in the following year's budget.

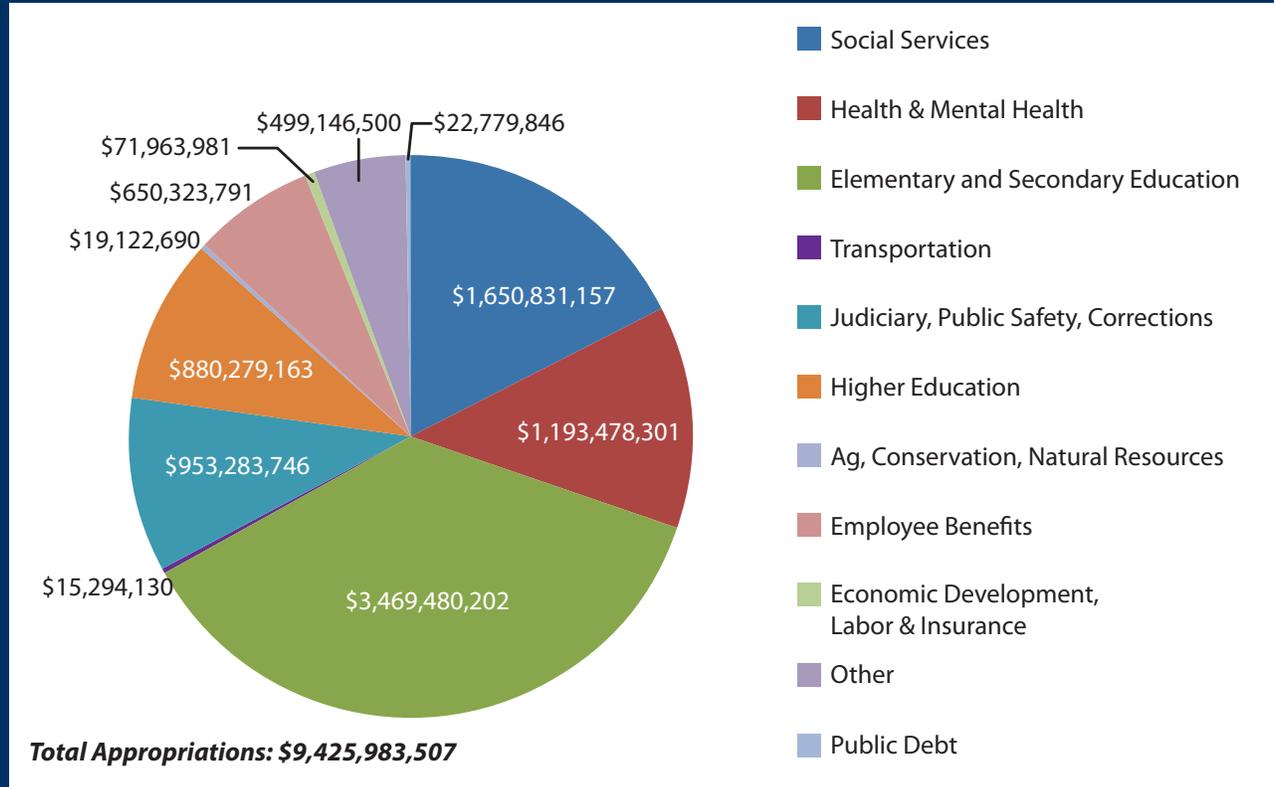
Perhaps the most difficult situation is when tax revenues come in lower than what the budget assumes (See Figure 5 for description of the tax revenues that comprise the General Revenue fund). To keep the budget balanced, the Governor must find places to spend less money. The Governor has three major tools for expenditure management: allotment moves, release of Governor's reserves, and the "restriction" or "withholding" of program funding.

When government programs are appropriated funds for a given year, that appropriation is typically broken into four quarterly allotments. Distributing the expenditure of budgeted funds over the course of a year helps with state cash flow, but in many cases, spending on the state's programs is not spread evenly throughout the year. Allotment management can be helpful for short-term revenue concerns by allowing program administrators more discretion regarding the timing and funding sources of their expenditures. For example, if general revenues lag behind estimates in the second quarter of the fiscal year and a program has another appropriated fund source, the other fund source's allotment could be adjusted to reduce the general revenue need for that quarter. Because allotment moves do not adjust the total amount that is spent in a year, for this move to be beneficial, the general revenues will need to be sufficient to accommodate the new 3rd- or 4th-quarter need.

The next major tool for budget management is the release of the Governor's Reserve. Each year, the Governor places 3 percent of nearly every general revenue appropriation into what is called the Governor's Reserve. This reserve becomes a very useful tool for expenditure management later in the fiscal year as programs get close to spending their entire appropriation. The process for releasing the reserve includes programs spending roughly 97 percent of their appropriation, and then when no more payments can be made without the release of the remainder of the funds, the department administering the program sends a request to the Office of Administration for approval by the

Figure 6 FY 2019 General Revenue Appropriations

More than two-thirds of the state's General Revenue will be spent on health-related services and education in FY 2019.



Source: Missouri Office of Administration.

state's Budget Director. This reserve allows the Governor to set millions of general revenue dollars aside to help ensure that the state has the necessary revenues and cash flow for all of its needed payments. If revenues fall behind predictions, the Governor can strategically release reserves to accommodate cash flow issues or can deny the release of reserves altogether. If the lag in received revenues is greater than the Governor's reserve, the more drastic step of "withholding" funds must be deployed.

When revenues fall behind estimates by more than what can be managed through allotment and reserve moves, the Governor has no choice but to "restrict" or "withhold" the general revenue expenditures from some government programs. In state budgeting terms, the words "restrict" and "withhold" mean the same thing and can be used interchangeably. A restriction of funds removes

the ability for government agencies to expend those funds for the purpose for which they were appropriated. Restrictions only affect general revenue appropriations, and many programs have other sources of funding available to maintain normal programming functions. The Governor typically only restricts the amount of funds needed to return the budget to balance, and if the collection of revenue recovers to the previously estimated amounts, the restricted funds can be released for program use. Restrictions are the only major tool for budget management that can actively change the way government programs are functioning, so decisions regarding what is restricted are typically highly publicized and contentious. As shown in Figure 6, most general revenue is spent on education and health-related services, so there are few easy decisions in the event of a budget shortfall, especially if the revenue deficit is large.

CONCLUSION

Missouri's budget is one of the most important topics addressed by the General Assembly each year. Despite its importance, the process of budget passage receives relatively little attention from the media or the general public. The size of the budget continues to grow as some of the state's largest programs continue to seek additional funds. These rising costs signal the need for at least the consideration of budgetary reforms, but the necessary changes may not be politically viable until policymakers and their constituents can agree on the need.

This primer has defined important terms and outlined the budgetary process in order to help facilitate public engagement during the legislative session, when important budgetary matters are being considered. Missouri is not alone among states in needing budget reforms to ensure its long-term financial stability. Missouri is one of forty-nine states that require balanced budgets, yet the increasing costs for education, employee benefits, and healthcare-related services are requiring difficult budgetary decisions across the nation.¹² The increased pressure caused by the growth of mandatory programs highlights the importance of ensuring that each tax dollar is spent wisely. (See Appendix 2 for a selection of important topics to consider in the coming year's budget.) This budget primer can help inform the funding decisions of policymakers and can also reduce the barriers to public engagement in the legislative process.

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ENDNOTES

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4. "Missouri Constitution" Section: 04.024 Governor's budget and recommendations as to revenue – proposed legislation not enacted not to be included in projection of new revenues. <http://www.moga.mo.gov/MoStatutes/ConstHTML/A040241.html>
5. "Missouri Constitution" Section: 03.025 Limitation on introduction of bills. <http://www.moga.mo.gov/MoStatutes/ConstHTML/A030251.html>
6. "2020 Department Budget Requests." Office of Administration. December 01, 2018. <https://oa.mo.gov/budget-planning/budget-information/2020-budget-information/2020-department-budget-requests>.
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8. "Appropriation Bills (FY 2019)." Office of Administration. <https://oa.mo.gov/budget-planning/budget-information/2019-budget-information/appropriation-bills-fy-2019>.
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11. "Missouri Constitution" Section: 04.035 Limitation of governor's budget on power of appropriations. <http://www.moga.mo.gov/MoStatutes/ConstHTML/A040251.html>
12. National Conference of State Legislatures. State Balanced Budget Provisions. <http://www.ncsl.org/research/fiscal-policy/state-balanced-budget-requirements-provisions-and.aspx>

Appendix 1: Budget Fluctuation Throughout the Legislative Process

Throughout the budgetary process, funding for various executive departments fluctuates by hundreds of millions of dollars.

FY 2019	Governor's Recommendations				House			
House Bill	GR	Fed	Other	Total	GR	Fed	Other	Total
2001	\$22,779,846	\$0	\$1,275,213	\$24,055,059	\$22,779,846	\$0	\$1,275,213	\$24,055,059
2002	\$3,424,167,080	\$1,111,379,031	\$1,569,492,568	\$6,105,038,679	\$3,459,128,379	\$1,111,498,640	1,576,494,154	\$6,147,121,173
2003	\$810,437,047	\$2,249,457	\$285,844,966	\$1,098,531,470	\$889,792,712	\$2,249,506	\$285,352,809	\$1,177,395,027
2004	\$79,604,034	\$139,033,752	\$2,843,225,291	\$3,061,863,077	\$78,232,231	\$139,038,820	\$2,843,591,991	\$3,060,863,042
2005	\$1,140,967,248	\$319,302,817	\$273,322,187	\$1,733,592,252	\$862,115,289	\$316,568,942	\$271,453,880	\$1,450,138,111
2006	\$18,348,045	\$53,057,936	\$719,103,361	\$790,509,342	\$21,541,191	\$53,419,231	\$699,734,203	\$774,694,625
2007	\$91,080,189	\$214,341,614	\$259,724,181	\$565,145,984	\$72,379,310	\$214,535,026	\$259,957,050	\$546,871,386
2008	\$71,591,529	\$213,029,202	\$434,200,217	\$718,820,948	\$73,811,625	\$216,802,764	\$442,682,604	\$733,296,993
2009	\$695,249,096	\$4,719,989	\$78,462,044	\$778,431,129	\$697,107,846	\$4,750,089	\$78,528,433	\$780,386,368
2010	\$1,196,354,914	\$2,366,728,557	\$71,012,394	\$3,634,095,865	\$1,197,817,902	\$2,371,372,511	\$64,076,148	\$3,633,266,561
2011	\$1,836,647,097	\$4,969,597,506	\$2,894,417,128	\$9,700,661,731	\$1,627,428,017	\$4,857,492,223	\$2,710,112,569	\$9,195,032,809
2012	\$328,556,908	\$35,824,239	\$67,883,655	\$432,264,802	\$333,473,349	\$35,984,564	\$85,702,370	\$455,160,283
2013	\$73,471,712	\$19,408,156	\$14,220,544	\$107,100,412	\$73,567,924	\$19,418,171	\$14,226,591	\$107,212,686

	Senate				Truly Agreed to and Finally Passed (TAFP)				
House Bill	GR	Fed	Other	Total	GR	Fed	Other	Total	Change from Original
2001	\$22,779,846	\$0	\$1,275,213	\$24,055,059	\$22,779,846	\$0	\$1,275,213	\$24,055,059	\$0
2002	\$3,437,465,981	\$1,111,193,646	\$1,576,687,943	\$6,125,347,570	\$3,469,480,202	1,111,243,646	\$1,576,487,593	\$6,157,211,411	\$52,172,732
2003	\$891,135,651	\$2,249,157	\$297,704,288	\$1,191,089,096	\$881,779,163	\$2,249,157	\$297,704,288	\$1,181,732,608	\$83,201,138
2004	\$79,716,420	\$139,031,276	\$2,842,387,757	\$3,061,135,453	\$79,716,420	\$139,031,276	\$2,842,487,757	\$3,061,235,453	-\$627,624
2005	\$874,187,638	\$321,624,669	\$273,211,004	\$1,469,023,311	\$871,688,480	\$320,947,695	\$272,664,786	\$1,465,300,961	-\$268,291,291
2006	\$24,889,903	\$53,482,668	\$720,747,898	\$799,120,469	\$23,889,903	\$53,482,668	\$711,122,899	\$788,495,470	-\$2,013,872
2007	\$72,963,981	\$279,955,226	\$264,801,776	\$617,720,983	\$71,963,981	\$279,955,226	\$264,691,776	\$616,610,983	\$51,464,999
2008	\$73,368,440	\$212,979,677	\$440,004,047	\$726,352,164	\$72,189,898	\$213,629,677	\$440,657,439	\$726,477,014	\$7,656,066
2009	\$692,648,259	\$4,735,039	\$81,127,192	\$778,510,490	\$690,443,952	\$4,735,039	\$80,439,167	\$775,618,158	-\$2,812,971
2010	\$1,189,875,894	\$2,368,205,519	\$71,398,027	\$3,629,479,440	\$1,193,478,301	\$2,369,552,309	\$71,398,027	\$3,634,428,637	\$332,772
2011	\$1,739,034,921	\$5,046,340,536	\$2,862,142,514	\$9,647,517,971	\$1,651,031,157	\$4,940,169,320	\$2,709,853,630	\$9,301,054,107	-\$399,607,624
2012	\$336,274,082	\$43,701,518	\$96,314,753	\$476,290,353	\$331,496,933	\$43,701,518	\$94,314,860	\$469,513,311	\$37,248,509
2013	\$73,692,484	\$19,397,477	\$14,214,116	\$107,174,077	\$73,692,484	\$19,397,477	\$14,214,116	\$107,174,077	\$73,665

TAFP totals represent the budget passed by the legislature before any vetoes from the Governor, and do not necessarily represent the enacted budget.

Source: Missouri Office of Administration; Missouri House of Representatives.

MISSOURI'S BUDGET: WHAT TO LOOK FOR



With the beginning of Missouri's 2019 Legislative Session, here is a list of important topics and questions for consideration in the budget year ahead.

CONSENSUS REVENUE ESTIMATE

The amount of revenue growth assumed in the budget offers valuable insight regarding the state's perceived economic future. How do the direction and degree to which the revenues are expected to change impact the year's legislative priorities?



PERFORMANCE-BASED BUDGETING

This year's budget includes new and improved measures to evaluate the success and performance of the government's programs. How does the legislature use this information when making funding decisions - do they reward program success or punish continued under-performance?

EMPLOYEE BENEFITS

Missouri consistently ranks last or near the bottom for public employee pay, but is generally considered to offer a generous benefit package. How do policymakers address pressures to increase employee pay while the cost to maintain the "generous" health insurance coverage continues to rise and pension plan liabilities grow?



MEDICAID/HEALTH CARE COSTS

Over the past decade the cost of government provided health care services has continued to increase. The cost of such programs is expected to go up again in FY 2020. What steps does the legislature take to control costs? Or does the unsustainable status quo remain in place for another year?

EDUCATION FUNDING

Fully funding the elementary and secondary education funding formula last year ensured the cost of "full" funding would be higher this year. Is Missouri best served by a K-12 funding formula with built-in annual cost increases?



NOTES

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