

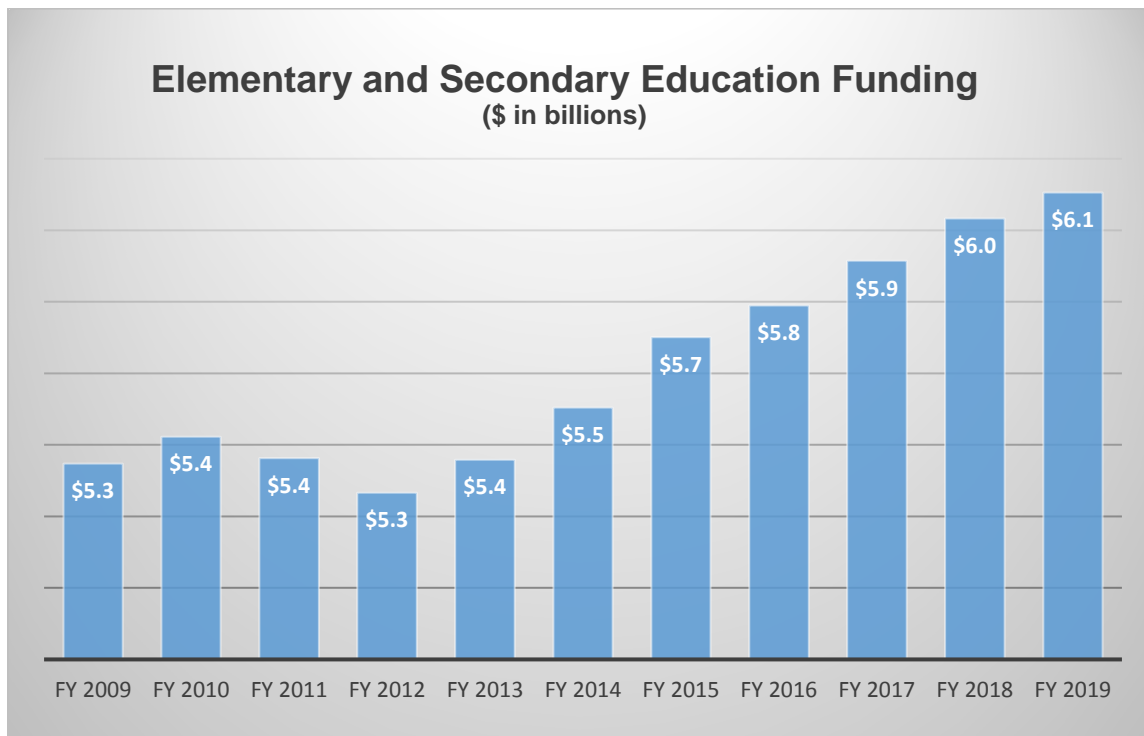
THE MISSOURI BUDGET

Fiscal Year 2019 Budget Priorities

Missouri’s economy is growing and Missouri businesses are creating more quality jobs. Missouri’s budget situation is stronger than it was one year ago. Despite the growth in the economy and greater efficiencies in Missouri’s government, tough decisions still need to be made. This document highlights the areas of strategic investment for Missouri—where the Governor has determined more funding is needed. It also plainly lists the areas of the budget to be cut.

Increasing Funding for Elementary and Secondary Education

Teachers in Missouri are not getting the pay they deserve, yet costs of administrative overhead continue to rise. That is why the Governor’s Fiscal Year 2019 budget increases pay for teachers in state-run schools, and sends more money than ever to our elementary, middle and high schools, in the hope that they will follow suit and give teachers a badly needed raise. The Governor’s Fiscal Year 2019 budget adds an additional \$87.5 million over last year for total funding of \$6.1 billion – a record high level of support for Missouri elementary and secondary education. As can be seen below, funding for elementary and secondary education has increased by \$190.4 million since Governor Greitens took office, compared to a \$16 million increase during the first two years of the previous administration.



Missouri's Most Vulnerable Children

Governor Greitens promised to be a champion for Missouri's most vulnerable citizens. The Governor's budget includes additional funding for programs that support vulnerable children, including:

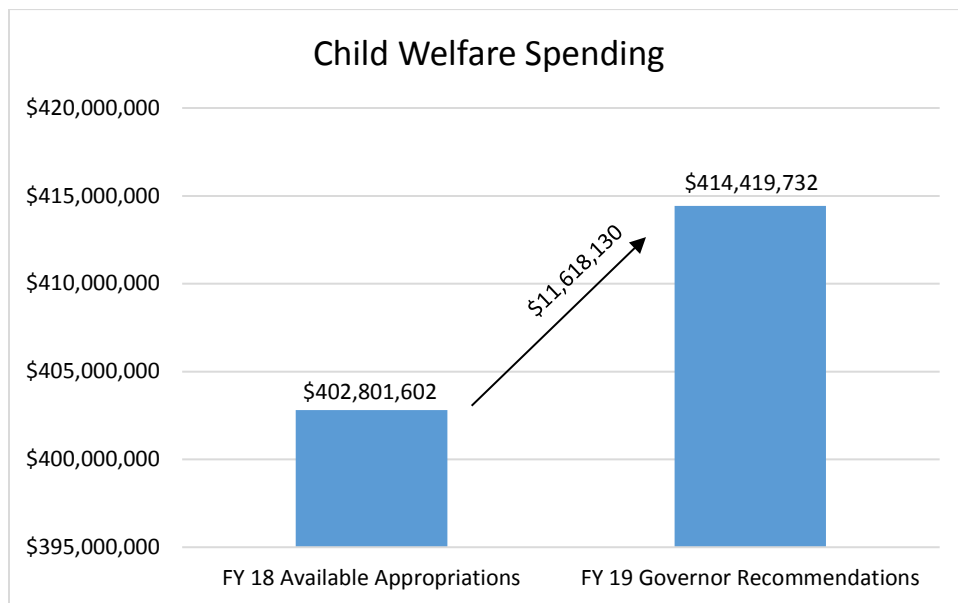
- \$3.3 million in new funding to care for children who have been abused or neglected and removed from their homes, including services for children with emotional and psychological difficulties, and expenses for children in adoptive and guardianship care placements. This Fiscal Year 2019 funding increase is in addition to \$10.7 million added in Fiscal Year 2018. This funding will assist an estimated 13,700 children who have been removed from their homes to ensure their safety and over 21,000 children in adoption and guardianship placements.
- \$5.3 million in new funding to reduce the backlog in the number of children awaiting termination of parental rights, which must occur before these children can be moved into permanent forever homes. As of July 31, 2017, there were 1,317 children whose adoptions were being held up due to this backlog.
- \$2.6 million in new funding for a rate increase for foster care providers and for adoptive and guardian families. This will impact 13,548 foster children and 20,612 children receiving adoption and guardianship subsidies.

ADOPTION TRANSFORMS LIVES



Conner had been in care since 2006. When his Extreme Recruitment case started he was already 16 years old. Extreme Recruitment explored many relatives for him; unfortunately, no one was willing to be a permanent placement option. Conner had been in the same foster home for about two years and was a freshman in high school when we met him. At his high school he was involved in the ROTC program and shared dreams of enlisting one day. Conner's wish was that if family was not an option for him that he could stay in the same high school and graduate with his friends. Extreme Recruitment went to his town on a Wednesday evening and visited 10 to 15 churches. We passed around his media profile and asked the pastor to speak to the adults about our need to find this teenage boy a home. One week later we received a phone call from a middle aged couple, Richard and Sheri Champion, who were interested in learning more about this teenager in need. Two months later Conner was moved in to their home and his behaviors and grades improved immensely. Richard and Sheri each had their own children from previous marriages and always wanted a child together; nine months to the day that Conner moved in to their home, his adoption was finalized. Conner officially became a Champion and the joy and love that was spread that day was undeniable.

- \$460,814 in new funding to ensure that crimes against children, including child abuse, child neglect, child sexual abuse, child exploitation/pornography, and child fatalities, are promptly investigated.
- \$638,356 in new funding for the Alternatives to Abortion program which saw 486 healthy births in Fiscal Year 2017. These funds are targeted to provide services and counseling to pregnant women in carrying their unborn child to term instead of having an abortion.
- \$424,626 in new funding to begin testing newborns for Spinal Muscular Atrophy and Hunter Syndrome and provide the associated genetic follow-up services.
- \$8.5 million in new funding for the First Steps Program which provides early intervention services for families with children, birth to three years of age, with disabilities or developmental delays. The First Steps Program enhances children’s development, learning, and participation in family and community life.
- \$8.4 million in new funding to provide instruction and therapy to young children with disabilities through the Early Childhood Special Education Program.



Protecting Missourians with Disabilities

Governor Greitens understands the critical role state government has in protecting Missourians with intellectual and developmental disabilities, mental health disorders, physical disabilities, and chronic health conditions. Governor Greitens’ \$2.2 billion investment in the Department of Mental Health, including \$1.2 billion for the Division of Developmental Disabilities, are record high levels of funding,

exceeding support recommended by the previous administration by \$248 million for the Department of Mental Health, including \$56 million for Developmental Disabilities. To support and protect Missouri's vulnerable citizens, the Fiscal Year 2019 budget includes increased funding for the following programs:

- \$65.8 million in new funding to serve 1,399 additional individuals with developmental disabilities through case management, transitional services, and crisis residential placements. The goal for people with a developmental disability is to enable them to live independently and productively while providing needed in-home supports.
 - This funding will ensure that an estimated 1,018 vulnerable Missourians needing development disability services aren't put on a wait list but instead have access to needed services in a timely manner. Missouri's approach differs markedly from that of most other states, where wait lists are common and can result in an individual's situation needlessly escalating into a personally painful crisis that is more expensive and difficult to treat.
 - Governor Greitens is recommending funding to assist families where parents can no longer care for an adult child with developmental disabilities by providing crisis residential placements.
 - Children with developmental disabilities in the foster care system must transition from the state's guardianship when they reach adulthood. This funding will provide necessary services as they transition out of state care.
 - This funding will also assist individuals with developmental disabilities who are moving from nursing facilities into community-based services, increasing their quality of life by providing them more freedom and independence.
- \$28.6 million in new funding to implement HB 1565 (2016), which gradually increases the asset limits for aged, blind, and disabled individuals to receive health benefits.
- \$5.9 million in new funding to provide comprehensive psychiatric rehabilitation to Missourians experiencing mental illness.
- \$5.4 million in new funding to expand the Primary Care Health Home Program, which coordinates care for MO HealthNet participants diagnosed with chronic conditions, thereby improving the quality of life and outcomes for participants while achieving cost savings.
- \$105,000 in new funding to improve employment services for individuals with intellectual and developmental disabilities.

Growing Missouri's Economy and Investing in Infrastructure

Communities, entrepreneurs, business leaders, investors, and workers make an economy strong. State government can help businesses and hard-working individuals thrive by investing in our state's infrastructure and workforce, and making sure that those who want to create jobs in Missouri find open arms, not red tape. Governor Greitens' budget will increase funding for our infrastructure to support economic growth. The funding will modernize multimodal assets, including our vital port system, and help towns and cities attract business and jobs by co-investing in their infrastructure projects.

In order to continue to grow Missouri's economy and attract more businesses like Nucor to the state, the Governor recommends funding the following priorities:

- \$162.8 million in new funding to develop Missouri's infrastructure by constructing and maintaining the state road and bridge system.
- \$25 million in new funding to establish a new Jobs and Infrastructure Fund that will assist local governments with matching funds to ensure infrastructure is in place to attract, retain, and grow Missouri businesses and create additional jobs for hard working Missourians. A broad array of infrastructure improvements will be authorized under this program, including improvements to waterways, ports, utilities, and communication systems.
- \$7.6 million in new funding to modernize river ports statewide to facilitate the transportation of Missouri goods and stimulate economic development along Missouri's waterways. This funding

BRINGING NEW MANUFACTURING TO MISSOURI



Last year, Governor Greitens called a special session of the General Assembly to pass legislation to make Missouri more economically competitive to new steel and other manufacturing facilities. As a result, Missouri beat out other states for Sedalia to be home to Nucor's new steel mill in November 2017. The Fortune 500 company has committed to creating at least 250 high-paying jobs and invest \$250 million in the new rebar micro-mill. The construction and operation of the new facility is also expected to attract more jobs to the community. We were able to compete and win thanks to the collaboration between the local communities and our State of Missouri team, led by the Department of Economic Development. Continued investments in the State's economic development capabilities will help us compete and win in the future.

will assist Missouri's farmers by opening up new markets for agricultural products, including the growing international sector.

Rural Missouri

Governor Greitens understands that too often Missouri's small towns have been forgotten. The Governor believes that state government should fight for all Missouri families; therefore, the Fiscal Year 2019 budget includes:

- \$6 million in funding for rural broadband—to bring the necessary infrastructure for high-speed broadband to rural public schools at no cost to the school.
- \$2.5 million in new funding for invasive species and disease monitoring and control to ensure that native wildlife, farms, landscapes, and waterways are protected. The increased funding is also significant in Missouri's efforts to maintain healthy fish, forest, and wildlife and to protect the pastimes of Missouri's nearly 520,000 deer hunters and almost two million wildlife watchers.
- \$2.4 million to maintain public roadways through the voluntary County Aid Road Trust (CART) program. It is estimated that 85 counties will participate in the cost-share CART Program.

Public Safety

Whether responding to natural disasters, pursuing dangerous criminals, or responding to the scourge of drugs in our communities, Missouri's first responders have some of the toughest and most dangerous jobs. Governor Greitens' budget increases pay for the Highway Patrol and front-line corrections officers, provides needed safety and forensic investigation equipment, and increases funding for sorely needed community-based drug treatment efforts, because we have no higher priority than keeping Missourians safe. Governor Greitens' Fiscal Year 2019 budget includes:

- \$5 million in new funding for community-based substance abuse treatment to ensure non-violent offenders receive the most effective and appropriate treatment as based on recommendations from the Governor's Missouri State Justice Reinvention Task Force. Approximately one-third of prison admissions are for substance abuse treatment. Research indicates community treatment for these offenders leads less of them to reoffend.

Missouri must increase the number of community-based treatment opportunities to prevent people from reoffending and prioritize treatment for those most in need.

- \$3.6 million in new funding for adult, family, and veterans' treatment court programs which provide effective treatment for substance use disorders and opioid incarceration in the correctional system.
- \$3.2 million in new funding for pay increases for members of the Missouri State Highway Patrol, which is necessary to attract and retain the best and brightest officers to this elite force.
- \$3 million in new funding to expand the crime lab at the Missouri State Highway Patrol's general headquarters. Evidence must be analyzed promptly in order for the Patrol to close cases, get criminals off the street, and assure crime victims that investigations are proceeding without delay and with up-to-date equipment.
- \$1 million in new funding to upgrade Missouri State Highway Patrol radios with modern encryption keys. Upgrading radios with internal encryption keys will allow law enforcement personnel to maintain a higher level of situational awareness and be able to discuss secure data over radio networks.
- \$955,935 and nine troopers and investigators in new funding to allow the Division of Drug and Crime Control to handle increasing numbers of special investigation requests, including human and drug trafficking.

DRUG COURTS CHANGE LIVES

Time and time again, drug courts have proven to be an effective way for families to address substance use disorders in a way that allows individuals to lead healthy and productive lives. Take the story of Jane and John, both of whom were charged with multiple counts of felony possession of a controlled substance in Franklin County, Missouri. They led a life of possessing and manufacturing methamphetamine, which led them to the court system. Both were homeless, unemployed and only working sporadically. When Jane appeared before the court she was 8 months pregnant with her second child and had already voluntarily terminated her parental rights for her first child. John, her boyfriend, father of her second child and co-defendant, also engaged in the screening process for drug court. Jane entered the drug court program in July 2005 and successfully completed the program in 13 months, graduating in August 2006. John entered the program in September 2005 and successfully completed the program in 17 months, graduating in July 2007. Since graduation, the couple has become productive members of their community. They own a home and have had full-time, stable employment for years now. They continue to be active in the recovery community and have not been back in the criminal justice system. Their story speaks to the great tools drug courts provide.

- \$860,000 in new funding for Forward Looking Infrared and Mapping equipment for Missouri State Highway Patrol helicopters in order to assist during traffic and search and rescue operations, including instances when a child is missing and a timely rescue is critical.
- \$556,369 in new funding to provide Probation and Parole Officers additional safety equipment, including firearms, ammunition, holsters, and bulletproof vests and \$158,305 for enhanced safety equipment at Probation and Parole offices. Missouri owes its front line public safety officers, officers who are keeping Missouri citizens safe, the equipment necessary to be safe while performing their jobs.
- \$281,000 in new funding to maintain the Missouri State Highway Patrol Sex Offender Registry System and meet federal National Crime Information Center requirements.
- \$202,208 in new funding to reduce the 9-month backlog in blood sample toxicology analysis.
- \$120,000 in new funding to refurbish Missouri State Highway Patrol armored vehicles.

Fighting the Opioid Epidemic

The opioid epidemic is a modern day plague. It strikes families across the state, regardless of race, creed, or class. Data from the CDC indicate between February 2016 and January 2017, drug overdoses accounted for more than 64,070 deaths nationally, including more than 1,000 Missourians. Opioids and heroin were the main drivers of drug overdose deaths in 2016, representing 908 deaths in Missouri, and misuse of opioids such as oxycodone, hydrocodone, codeine, and morphine has skyrocketed. Additionally, misuse of opioids is strongly linked to heroin addiction.

2017 was a pivotal year in Missouri's response to the opioid crisis as Governor Greitens instituted a comprehensive, integrated, innovative Cabinet-wide response that focused on prevention, reducing deaths, and increasing treatment. Members from all 16 Cabinet departments participated in 9 opioid summits across the state that aligned federal, state, and local resources to implement practical solutions to fight the opioid scourge. These initiatives have included increasing the availability of Narcan (a drug to counteract opioid overdoses), decreasing misuse and abuse of prescribed opioids, and expanding treatment options.

The Missouri Department of Social Services' Medicaid Program has implemented pharmaceutical strategies to combat the opioid epidemic including the following: reducing doses for short-acting opioids; requiring 85% of days-supply of opioid prescriptions be used before refilling or a new opioid prescription is allowed; limiting new prescriptions to opioid-naïve participants to a 7-day supply; improving access and the approval process for Opiate Dependence Treatments; restricting the use of Codeine and Tramadol for children under the age of 12; and removing the prior authorization criteria for intranasal Narcan.

The Missouri Department of Social Services' Medicaid Program is seeking federal approval to add alternative pain management options for individuals with a pain diagnosis. The alternative pain management options include physical therapy, occupational therapy, chiropractic services, massage, and acupuncture. It is estimated that offering alternative treatments will result in cost savings while improving health outcomes.

We are making progress. Preliminary data shows that the 35% increase in deaths from opioid overdose from 2015-2016 has slowed in 2017.

More is needed. The Governor's recommended budget includes several evidence-based initiatives to expand the state's fight against the opioid epidemic in Missouri:

- \$4.7 million in new funding for peer recovery coaches in hospital emergency departments and faith and community recovery support services.
- \$731,154 in new funding to reduce opioid-involved deaths through training, education, and the distribution of Narcan to first responders.
- \$374,213 in new funding to implement the state's prescription drug monitoring program.

NARCAN SAVES LIVES



Earlier this year, Narcan helped to save the life of a 30 year-old Eureka woman who was unresponsive and not breathing when Sgt. Michael Werges, an officer with the Eureka Police Department, arrived on the scene. Sgt. Werges observed the victim lying on her back when he arrived and immediately recognized the situation as a Heroin overdose. He immediately provided her with a single dose of Narcan Nasal Spray, followed by several other doses. The victim was eventually transported to the hospital with a pulse and breathing. During his 20 years of experience as a police officer, Sgt. Werges estimates that he has responded to at least 20-30 overdose situations. He believes the frequency of such calls are on the rise and has seen first-hand how Narcan saves lives.

- \$750,000 in new funding for entities providing programs that educate or promote medication safety or that suppress or prevent prescription drug misuse, abuse, and diversion.

Higher Education

Governor Greitens appreciates the value of affordable higher education that equips our citizens with quality degrees, certificates, and training. To help students and their families, the Governor recommends increased funding for Missouri’s need- and merit-based scholarship programs. Doing so puts more higher education dollars directly into the hands of students. The budget includes:

- \$2 million in new funding for the Access Missouri Scholarship Program, bringing total funding to \$70.7 million. Access Missouri, the state’s largest need-based scholarship program, provides awards averaging \$1,676 to over 44,000 students. Access Missouri awards are structured to provide the most assistance to students with the greatest financial need and, due to its portability, the scholarship increases students’ access to their Missouri school of choice.
- \$3.5 million in new funding for the A+ Scholarship Program, bringing total funding to \$41.1 million. Through the A+ Program, high school students who graduate with a grade point average of at least 2.5, have an attendance record of at least 95%, and perform at least 50 hours of unpaid tutoring or mentoring can attend a public community college or vocational/technical school without

MAKING COLLEGE AFFORDABLE



Madison Evans spent her childhood watching her parents build a business. Now, as a student at Jefferson College, she looks forward to earning a business degree, returning to her hometown, and helping her family’s business flourish. She is using Missouri’s A+ Scholarship to pay for her first two years of college before transferring to a four-year university.

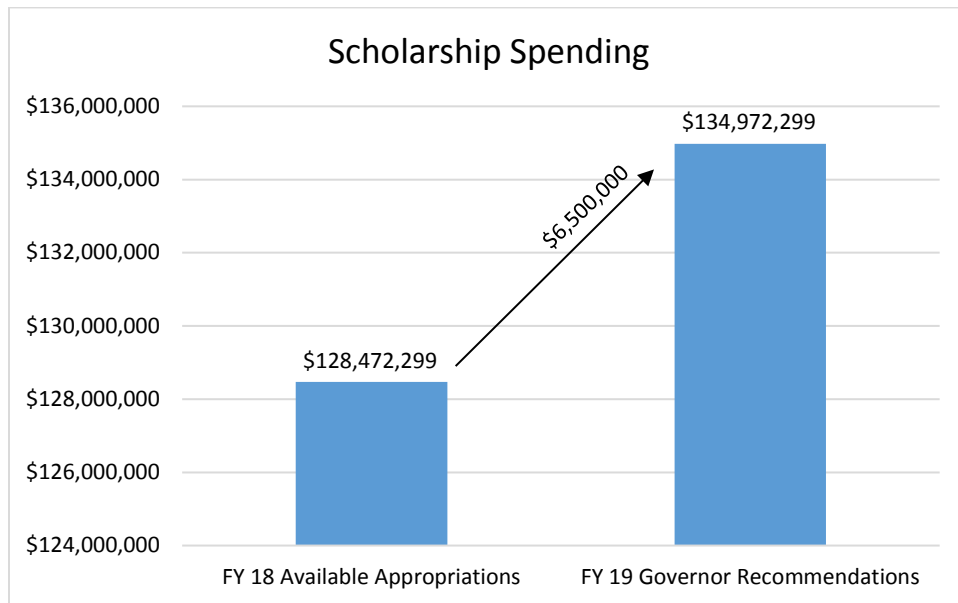
“I chose to major in business because it allows me to combine my creativity and leadership skills, Madison said. “I have made sure that I push myself as far as I can go. I know with hard work, anyone can accomplish something great.”

Madison chose to attend Jefferson College because it was close to her home, and she could use the A+ Scholarship to help with college costs.

Last year, more than 12,000 students received the A+ Scholarship, which covers tuition and general fees at a community college or participating career/technical school in the state. To receive the scholarship, students at participating high schools must earn a 2.5 grade point average, maintain 95 percent attendance, perform 50 hours of tutoring, and meet other eligibility requirements.

having to pay tuition or fees. The Fiscal Year 2019 increased funding will allow students who graduate from private high schools to participate in the program; private school students were first allowed access to A+ scholarships under Governor Greitens' administration, a long overdue change that treats public and private school students equitably. A+ Program awards average \$2,662 for over 12,500 students.

- \$1 million in new funding for the Academic Scholarship (Bright Flight) Program, bringing total funding to \$23.2 million. The Bright Flight Program incentivizes Missouri's high-achieving students to attend college in Missouri. Students who study in Missouri are more likely to remain in Missouri; therefore, the Bright Flight Program helps to keep Missouri's most gifted students in the workforce. Students scoring in the top 3% on the ACT or SAT receive annual awards of \$3,000 which can be used at public and private colleges and universities in Missouri. Over 7,000 students receive Bright Flight awards annually.



In addition to the focus on helping students afford higher education through scholarships, Governor Greitens set a new course for deeper change in higher education by establishing a performance funding structure that will focus resources on the institutions that deliver for their students. This commitment to performance funding means that higher education institutions will need to reduce administrative costs to best use taxpayer money. Among the difficult decisions this year, the budget includes reductions in overall funding for these institutions as they undergo management transformation. Reflecting national trends, Missouri has experienced a growth in administrative and other costs in its higher education institutions over the past few decades. Across our state, we are now seeing change and innovation in how higher education institutions can cut administrative bloat, eliminate duplicative, low-impact programs, step up cost-saving collaborations, and improve operational efficiencies. We are confident that the institutions will continue to accelerate management reform and prioritize efforts to achieve affordable education for our students and their families.

TACKLING ADMINISTRATIVE OVERHEAD

With a focus on improving efficiency and effectiveness, the University of Missouri is making changes at its four-campus system that should save millions of dollars in administrative costs.

The university system has reduced its workforce by 500 positions and made other cuts totaling nearly \$101 million. Participation in a statewide Task Force on Fleet Management prompted the university system to change the way it manages its fleet of vehicles for a potential savings of more than \$1.5 million per year.

A recent report from consulting firm PricewaterhouseCoopers recommended changes in human resources, purchasing, information technology, facilities, and other areas that could result in as much as \$70 million in savings at all four campuses. Plans for implementing many of the recommendations are underway.

Transforming our Government

For too long, improving the operations of our government has been neglected. Our citizens deserve better for their tax dollars. Governor Greitens has assembled a Cabinet team that includes a diverse set of leaders with both business and government experience – from across Missouri and the country – and is focused on transforming how the state government works every day for the citizens of Missouri. The Cabinet team is focused upon providing what every taxpayer wants and deserves – a state government that is more focused and smaller, that is more efficient, and one that delivers better for its citizens. The management challenges have accumulated over many years. All these problems will not be solved in the next year or two. But State Government and its workers are committed to fundamental change.

Strengthening our public servant team

Like any business or enterprise, success in state government depends on getting the right people in the right positions and then rewarding them for doing the right things in the right way at the right time. We have begun to transform the state workforce’s annual review process to provide greater flexibility and eventually rewards for high performance – i.e., a common sense approach to “reward-for-performance.” The budget reflects a commitment to investing in our public servants working on the frontlines for our citizens with a targeted cost of living and salary adjustment and preserving their overall benefits package. In the coming year, we will also continue to see the state workforce shrink through retirements and other reforms as the government focuses its programs on core government responsibilities and modernizes how it gets work done. To support Missouri’s public servants, the Governor recommends:

- \$61.2 million in new funding to fund the state’s share of employee health care benefits.
- \$29.4 million in new funding to provide a \$650 salary increase for all state employees making \$50,000 or less. This funding will be provided if the Missouri legislature enacts critical reforms to the state civil service system—to ensure that we can move employees to where they help the most, reward the best for superior performance, and take rapid action against those who fail our citizens and their colleagues.
- \$14.4 million in new funding to fund fully the contribution rate for the state’s primary employee pension system.
- \$4.5 million in new funding for targeted pay adjustments for specific job classes in order to bring these salaries closer to the market rates to ensure that Missouri state government can attract and retain the best workers.
- \$2.9 million in new funding for one-time investments to revamp the design and functioning of state processes and information technology systems to enable greater flexibility and common-sense reward for performance for state employees.

Changing how the Missouri state government operates

The management and direction of the Missouri state government reflects years of neglect despite the hard work and commitment of the majority of our state employees. Governor Greitens is committed to changing how we run the business of government to ensure Missouri tax dollars are used in the most efficient and effective manner possible. We need to introduce best practices from the private sector and other successful governments, and to scale up what the Missouri state government does well already.

This will involve analyzing data in new ways to help us solve problems faster, better, and save the taxpayers money.

To bring much-needed reforms to Missouri state government, the Governor recommends:

- \$2.5 million in new funding to increase the Third Party Liability contract, which is responsible for cost recovery and cost avoidance of MO HealthNet expenditures. In Fiscal Year 2016, this program accounted for more than \$243 million in savings by avoiding claims and recovering MO HealthNet funds.
- \$993,000 in new funding for an independent, objective assessment of Missouri's organization for Medicaid. Continued increasing Medicaid costs are a major threat to our entire state budget. As part of the broader effort to find ways to improve the efficiency of our Medicaid program, this project would assess the state's current organization for Medicaid – i.e., unlike many states, Missouri's Medicaid programs are split across three departments – and develop potential options to optimize our organization for future performance.
- \$700,000 in new funding to implement the Lean Efficiency and Cost Reduction Initiative, which will save millions of dollars by cutting waste and streamlining processes.
- \$324,599 in new funding to help the Department of Social Services to investigate legal cases in a more timely manner. Seven additional staff will work on cases including anti-trafficking initiatives, undercover investigations, and civil and criminal proceedings concerning public assistance fraud.
- \$220,206 in new funding to implement the first Missouri Leaders in Management Program, which will recruit top quality, young managers from MBA and other graduate programs to serve in Missouri state government. Similar to nominations to the military service academies, candidates will be nominated by members of the General Assembly or Missouri's congressional delegation.
- \$200,000 in new funding for a new Cost Reduction and Citizen Service Improvement Challenge, which will provide incentives to teams of state employees to develop and then implement innovative solutions to improve government performance.

Investing in technology to improve how work gets done

The right tools are needed to do a job right. This is true in government as in business. After years of neglect, the State of Missouri relies upon many outdated information technology systems that are vulnerable to failure and cannot be modified. They also are cumbersome to use, and do not support the

data analysis needed to streamline state operations. Like many businesses have already done, the State of Missouri will accelerate its move from COBOL to secure cloud computing. Investments in better technology will help improve efficiency and reduce government operating costs. The Fiscal Year 2019 budget includes investments in the following technology improvement projects:

- \$10 million in new funding to replace the statewide ERP (enterprise resource planning) financial system to enable better and more rapid analysis, improve efficiencies, streamline processes, and thereby help reduce program budgets.
- \$9.6 million in new funding to advance Medicaid Management Information System technology necessary for future cost savings by developing a system that is less expensive to operate and that allows for quicker implementation of program changes. The current outdated system processes over 116.9 million claims annually. Missouri will be able to use the new system to better analyze how to contain future Medicaid costs.
- \$9 million for cyber security to protect against potential threats, attacks, and breaches. Missouri's state government protects millions of people's private personal information and must invest accordingly to prevent criminals and foreign governments from compromising that data.
- \$669,000 in new funding to provide child welfare practitioners with tablets that will allow them to update a child's file and access critical safety case information while in the field.
- \$678,338 in new funding to develop an Electronic Visit Verification system for Personal Care Services. An Electronic Visit Verification system provides technological options to document the time and tasks performed by in-home caregivers. This system will improve quality of service, reduce late or missed visits, reduce audit exposure, improve efficiency, and improve transparency. These system improvements will reduce fraud, waste, and abuse along with the operational costs associated with paper-based operations.

NEW ANALYSIS REDUCES MOTOR POOL TO SAVE MONEY

In the fall of 2017, a group of private sector experts volunteered their time in the Chief Operating Officer's Task Force on Fleet Management convened by the nonprofit Hawthorn Foundation. These experts introduced to the Office of Administration's fleet managers new analyses to optimize the size of the state's motor pool in Jefferson City. The analysis showed that the motor pool could be reduced by 30 vehicles, saving the taxpayers over \$500,000. To complete the analysis, however, the state team had to collect the data manually in a time consuming, inefficient way because the current state systems and processes did not compile the needed information. By investing in new management techniques and the supporting fleet management system to collect and analyze the relevant data, the state will be able to drive more rapidly and effectively similar cost savings in the management of our vehicle fleets.

- \$5.5 million for other critical information technology projects to help automate the state’s procurement system, allow the Department of Natural Resources to track and report drinking water and environmental samples, permit online licensing for business owners regulated by the Division of Alcohol and Tobacco Control, and improve management of the state’s fleet of vehicles. Together these investments will help achieve efficiencies and better performance.

Reducing State Government

Although there has been an aggressive effort over the past year to reign in wasteful spending and make state government more efficient, some costs continue to rise. Special interest tax credits—which cannot be touched in the budget process due to special protections—continue to drain the budget. Health care costs paid by the government continue to skyrocket. Obamacare has still not been repealed, and the cost of health care continues to rise. Taxpayers pay more and more for government health care every year with little or no improvement in results. Some other government programs may be well-intentioned, but are not sufficient to deliver real impact and could be done better by non-governmental organizations. Given all these strains on the budget, tough decisions still have to be made to balance our budget every year – as our constitution requires.

The realities of the state’s fiscal position thus require difficult trade-offs. The Governor has listed his recommendations for reductions in state spending clearly below. None was made lightly. Reasonable people can argue that the proposed reductions should be replaced with cuts to other areas of government like public elementary schools, infrastructure investments, or fighting the opioid epidemic. Others might argue that taxes should be raised on Missourians to facilitate more government spending. The Governor believes that these are the most reasonable and responsible reductions that also ensure Missouri’s budget is balanced. The recommendations below reflect the budget priorities listed above and the commitment to a smaller, cheaper, more effective government for the citizens of Missouri.

The Governor recommends the following Fiscal Year 2019 reductions from Fiscal Year 2018 available appropriations:

- \$68,171,255 from the higher education institutions
- \$345,254 from the Department of Revenue, Division of Highway Collection through a reduction in field and other administrative staff
- \$42,700 from the Department of Revenue, Division of Legal Services through reduced administrative expenses

- \$250,000 from the Department of Revenue through reduced postage costs
- \$40,000 from the Department of Revenue through reduced county lien filing expenses
- \$1,022,552 from the Department of Revenue, Division of Taxation through call center efficiencies and reduced equipment, travel, and contract costs
- \$500,000 from the Missouri Department of Transportation's Amtrak passenger rail state match; twice daily train service will continue
- \$10,000,000 from the Missouri Department of Transportation's planning grants due to a reduction in available federal funding
- \$77,550 from the Office of Administration through administrative reductions and efficiencies
- \$1,950,270 from unneeded debt service on Board of Public Building bonds
- \$91,800 from the Office of Administration through reduced dues payments
- \$200,000 from the Office of Administration's Regional Planning Commission grants; local funding is still available
- \$30,000 in unused funds from the Office of Administration's teacher retirement contributions
- \$660,000 from the Missouri Department of Agriculture's Dairy Industry Revitalization Program, funding associated with the defunct dairy price insurance program
- \$197,565 from the Department of Natural Resources through administrative efficiencies
- \$250,000 from the Department of Economic Development's Missouri Technology Corporation Program; \$2.25 million will still be invested through the Missouri Technology Corporation
- \$1,000,000 from the Department of Economic Development's Wood Energy Tax Credit Program
- \$50,000 from the Department of Economic Development's Alternative Fuel Infrastructure Tax Credit Program
- \$351,766 from the Missouri State Highway Patrol through reduced administrative costs
- \$406,872 from the National Guard through reduced Field Support personnel and other administrative efficiencies
- \$305,639 from the Department of Corrections through reduced administrative costs
- \$3,000,000 from the Department of Corrections' medical services contract
- \$1,167,617 from the Department of Corrections through reductions in contracts and staff travel
- \$975,000 from the Department of Mental Health's emergency room enhancement expansion, which has not been started
- \$259,793 from the Compulsive Gambling Program

- \$158,228 from the Department of Health and Senior Services; facilities will still be able to receive designation as a trauma, stroke, or STEMI center through various accrediting organizations
- \$118,681 from the Department of Health and Senior Services' Missouri Health Facilities Review Committee; the Division of Regulation and Licensure will absorb these duties within their existing resources
- \$100,000 from the Department of Health and Senior Services' tobacco cessation program
- \$76,876,876 through a reduced state share of the Federal Medical Assistance percentage; increased federal earnings will offset this reduction
- \$40,000,000 from the Department of Social Services through Medicaid cost containment initiatives
- \$9,600,000 from the Department of Social Services by maximizing Medicare pharmacy benefits
- \$1,500,000 from the Department of Social Services through enhanced rebates on antipsychotic medications
- \$704,758 from the Department of Social Services through reductions to the Montgomery City Youth Center associated with unneeded beds; remaining funding will be sufficient to serve all clients
- \$1,228,920 from the Department of Social Services through the closure of three moderate level care groups due to unneeded beds; remaining funding will be sufficient to serve all clients
- \$124,130 from the Department of Social Services through consolidations and reduced administrative costs

<https://oa.mo.gov/budget-planning/budget-information/2019-budget-information/fiscal-year-2019-executive-budget>

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

Increase by Calendar Year			
	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>US</u>			
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%
<u>MO</u>			
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.

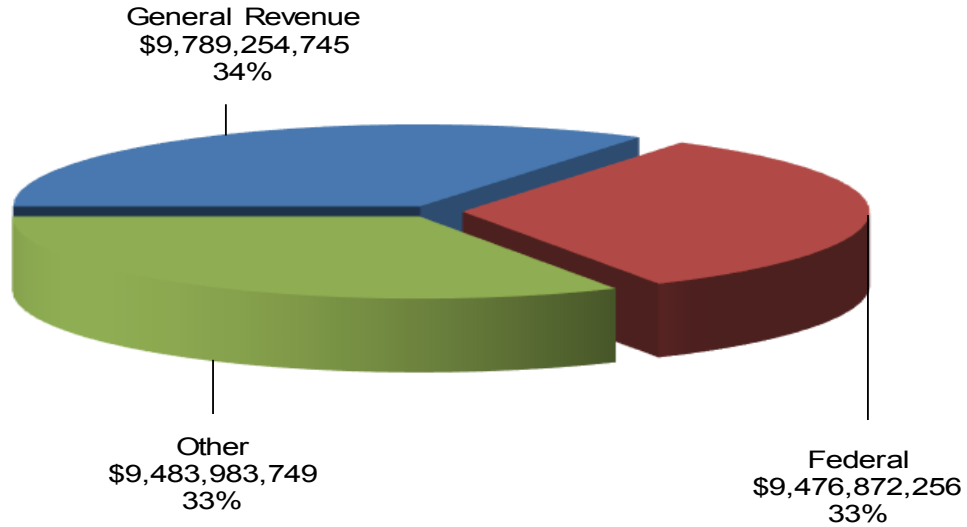
For Fiscal Year 2017, these calculations were \$120.3 million for the personal income amount and \$101.5 million for the one percent of total state revenues amount. Legislative actions in the 2017 session resulted in a decrease of at least \$2.9 million in state revenues when the provisions are fully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

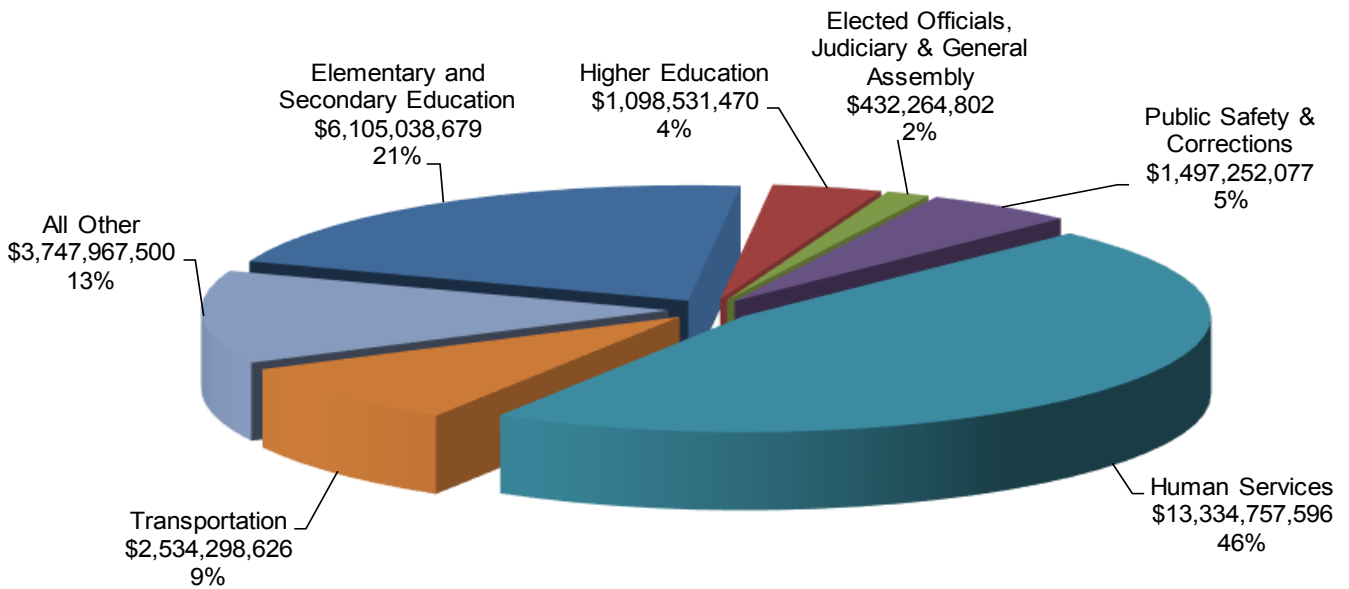
SOURCES OF FUNDS

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



FY 2019 GOVERNOR'S RECOMMENDED OPERATING BUDGET—ALL FUNDS

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



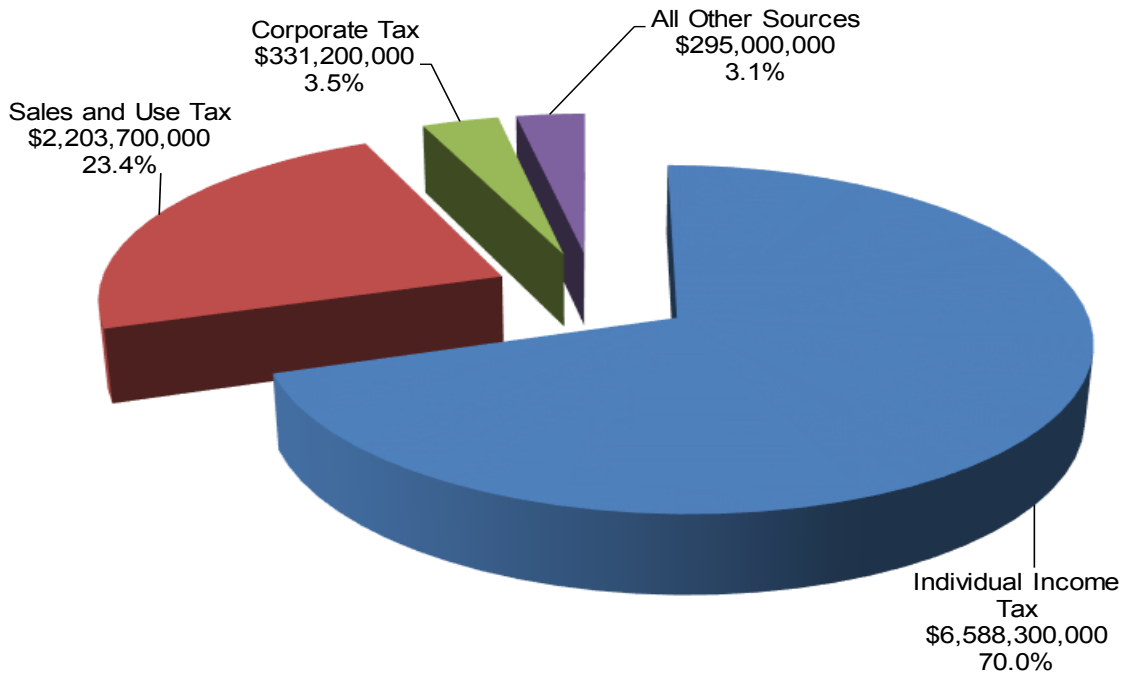
*Excludes refunds

GENERAL REVENUE RECEIPTS AND ESTIMATES

	Actual Receipts FY 2017	Revenue Estimate FY 2018	Revenue Estimate FY 2019
Collections			
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
Total General Revenue Collections	10,432,133,787	10,678,800,000	10,980,000,000
Refunds	(1,415,891,991)	(1,489,900,000)	(1,561,800,000)
Net General Revenue Collections	\$ 9,016,241,796	\$ 9,188,900,000	\$ 9,418,200,000
Net Growth Rate		1.9%	2.5%

FY 2019 REVENUE CONSENSUS ESTIMATE

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



GENERAL REVENUE SUMMARY

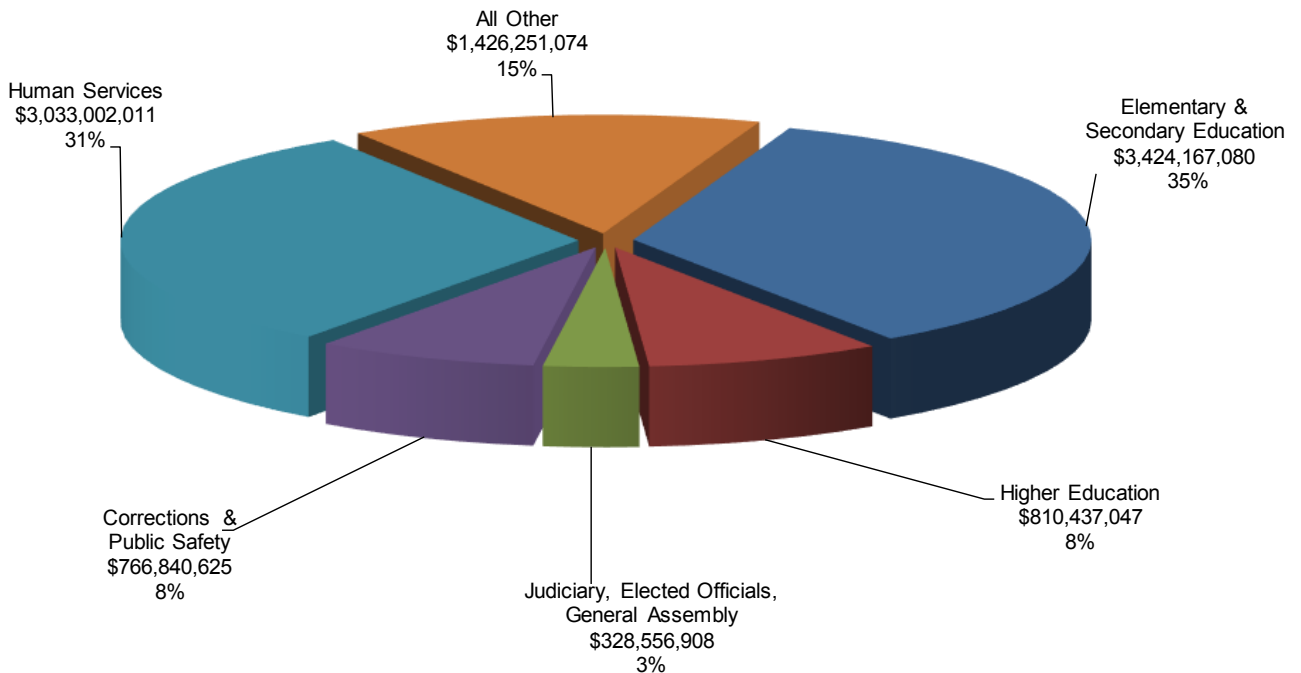
<u>RESOURCES</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Beginning Balance	\$ 21,060,407	\$ 5,074,991	\$ 70,447,906
Previous Year's Lapse ¹	132,169,848	162,833,420	110,066,308
Revenue Collections	10,432,134,347	10,678,800,000	10,980,000,000
Refunds	(1,415,892,382)	(1,489,900,000)	(1,561,800,000)
Collection Additions	0	267,700,000	250,000,000
Transfers to Fund	154,525,495	129,900,000	119,900,000
Total Resources Available	\$ 9,323,997,715	\$ 9,754,408,411	\$ 9,968,614,214
<u>OBLIGATIONS</u>			
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)
Total Obligations	\$ 9,318,922,724	\$ 9,683,960,505	\$ 9,963,918,345
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 <u>Bill</u>	<u>FY 2017 Expenditures</u>	<u>FY 2018 Available Appropriations**</u>	<u>Governor's Recommendation FY 2019</u>	<u>Difference</u>
1	<u>Public Debt</u>			
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)
2	<u>Elementary and Secondary Education</u>			
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
3	<u>Higher Education</u>			
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)
4	<u>Revenue</u>			
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
4	<u>Transportation</u>			
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
5	<u>Office of Administration</u>			
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
5	<u>Employee Benefits</u>			
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 <u>Bill</u>	FY 2017 <u>Expenditures</u>	FY 2018 Available <u>Appropriations**</u>	Governor's Recommendation <u>FY 2019</u>	<u>Difference</u>
6	<u>Agriculture</u>			
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)
6	<u>Natural Resources</u>			
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
6	<u>Conservation</u>			
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
7	<u>Economic Development</u>			
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
	<u>Insurance, Financial Institutions and</u>			
7	<u>Professional Registration</u>			
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
7	<u>Labor and Industrial Relations</u>			
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)
8	<u>Public Safety</u>			
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 <u>Bill</u>	<u>FY 2017 Expenditures</u>	<u>FY 2018 Available Appropriations**</u>	<u>Governor's Recommendation FY 2019</u>	<u>Difference</u>
9	<u>Corrections</u>			
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
10	<u>Mental Health</u>			
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
10	<u>Health and Senior Services</u>			
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
11	<u>Social Services</u>			
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
12	<u>Elected Officials</u>			
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)
12	<u>Judiciary</u>			
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
12	<u>Public Defender</u>			
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
12	<u>General Assembly</u>			
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 Bill	FY 2017 Expenditures	FY 2018 Available Appropriations**	Governor's Recommendation FY 2019	Difference	
13	<u>Real Estate</u>				
	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
14	<u>Operating Supplemental</u>				
	General Revenue		430,966,833		
	Federal Funds		353,526,686		
	Other Funds		199,383,053		
	Total		983,876,572		
	<u>Total Operating Budget</u>				
	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
	<u>Capital Improvements - One-Time Projects*</u>				
	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
	<u>Grand Total</u>				
	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 <u>Bill</u>	FY 2017 <u>Budget</u>	FY 2018 <u>Budget</u>	Governor's Recommendation <u>FY 2019</u>
1 <u>Public Debt</u>			
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
2 <u>Elementary and Secondary Education</u>			
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
3 <u>Higher Education</u>			
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
4 <u>Revenue</u>			
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
4 <u>Transportation</u>			
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
5 <u>Office of Administration</u>			
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
6 <u>Agriculture</u>			
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
6 <u>Natural Resources</u>			
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 <u>Bill</u>	FY 2017 <u>Budget</u>	FY 2018 <u>Budget</u>	Governor's Recommendation <u>FY 2019</u>
6	<u>Conservation</u>		
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
7	<u>Economic Development</u>		
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
7	<u>Insurance, Financial Institutions and Professional Registration</u>		
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
7	<u>Labor and Industrial Relations</u>		
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
8	<u>Public Safety</u>		
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
9	<u>Corrections</u>		
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
10	<u>Mental Health</u>		
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
10	<u>Health and Senior Services</u>		
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 <u>Bill</u>	FY 2017 <u>Budget</u>	FY 2018 <u>Budget</u>	Governor's Recommendation <u>FY 2019</u>
11 <u>Social Services</u>			
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
12 <u>Elected Officials</u>			
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
12 <u>Judiciary</u>			
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
12 <u>Public Defender</u>			
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
12 <u>General Assembly</u>			
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
<u>Total Budget</u>			
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> <u>REVENUE</u>	<u>FEDERAL</u> <u>FUNDS</u>	<u>OTHER</u> <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
TOTAL	<u>\$ 430,966,833</u>	<u>\$ 353,526,686</u>	<u>\$ 199,383,053</u>	<u>\$ 983,876,572</u>