

**Missouri Senate
Appropriations Committee**

**2007
ANNUAL FISCAL REPORT
Fiscal Year 2008**

**94th General Assembly
First Regular Session**

**Senator Michael Gibbons
President Pro Tem**

**Senator Chuck Gross
Appropriations Committee Chairman**



***Prepared by
Senate Appropriations Committee Staff***

**2007 ANNUAL FISCAL REPORT
TABLE OF CONTENTS**

| | |
|--|-----|
| Table of Contents | i |
| Preface..... | iii |
| Senate Appropriations Committee and Staff Organization | iv |
| Staff Departmental Assignments | v |

Section I

FY 2008 STATEWIDE BUDGET INFORMATION

| | |
|--|----|
| FY 2008 Budget Summary (Appropriation Bill Totals & FTE Totals)..... | 1 |
| FY 2007 Supplemental Summary Comparison (HB 14, 15, 16) | 8 |
| FY 2008 After Veto Operating Budget - All Funds | 14 |
| FY 2008 After Veto Operating Budget - General Revenue..... | 15 |
| FY 2008 General Revenue Collection Estimate | 16 |
| FY 2008 All Revenue Collection Estimate..... | 17 |
| Distribution of Each Tax Dollar - All Funds | 18 |
| Distribution of Each Tax Dollar - General Revenue | 19 |
| Summary of Governor’s Vetoes of FY 2008 Appropriations..... | 20 |
| FY 2008 Appropriation Comparison to FY 2007 Expenditures | 21 |

Section II

FY 2008 DEPARTMENTAL BUDGET INFORMATION

| | |
|--|----|
| Public Debt..... | 22 |
| Elementary and Secondary Education | 23 |
| Higher Education | 25 |
| Revenue..... | 27 |
| Transportation | 28 |
| Office of Administration..... | 29 |
| Employee Benefits | 31 |
| Agriculture | 32 |
| Natural Resources | 34 |
| Conservation | 35 |
| Economic Development..... | 36 |
| Labor & Industrial Relations | 38 |
| Insurance, Financial Institutions & Professional Registration..... | 39 |
| Public Safety | 40 |
| Corrections..... | 42 |
| Mental Health..... | 44 |
| Health and Senior Services | 46 |
| Social Services | 48 |
| Judiciary | 50 |
| Public Defender | 51 |
| Elected Officials..... | 52 |
| General Assembly..... | 53 |
| Real Estate | 54 |

Section III
MISSOURI STATE FINANCES

| | |
|--|----|
| Operating Budget Expenditure History | 55 |
| Capital Improvements Appropriations History..... | 59 |
| State Revenue Collection History..... | 60 |
| State of Missouri Bonded Indebtedness..... | 62 |
| Missouri Tax Credit Analysis | 67 |
| Gaming Revenue Distribution | 69 |
| Lottery Revenue Distribution | 71 |
| Tobacco Settlement Proceeds Distribution..... | 72 |

Section IV
LEGISLATION

| | |
|---|----|
| Estimated Fiscal Impact of Legislation for FY 2008 – FY 2010 | 75 |
| SB 577 (MO HealthNet)..... | 80 |
| SB 389 (2007)..... | 86 |
| HB 16 (FY 2007 Supplemental) & HB 17 (FY 2008 Reappropriations) | 89 |
| HB 444..... | 91 |

Section V
TOPICS OF INTEREST

| | |
|--|-----|
| Cap on Highway Fund Appropriations to Non-Highway Agencies | 92 |
| Highway Flow Chart..... | 93 |
| Court Ordered Desegregation | 94 |
| State Employee Pay Plan History FY 1980 – FY 2008..... | 96 |
| Per Capita State Rankings (Personal Income, Tax Revenue)..... | 100 |
| Budget Reserve Fund..... | 101 |
| Calculation of Total State Revenue | 103 |
| Budget Process Overview | 104 |
| Calendar of Floor Action on Appropriation Bills | 108 |
| Foundation Formula Explanation | 109 |

PREFACE

The Senate Appropriations Committee is pleased to present this Annual Fiscal Report. It is designed to provide legislators, legislative and departmental staff, and the public detailed information about the appropriations and budget process during the 94th General Assembly, 1st Regular Session (2007) as well as information about fiscal and budget issues in previous years.

The Report is divided into five sections. Section I, **FY 2008 Statewide Budget Information**, provides a summary of Missouri's \$21.5 billion operating budget for Fiscal Year 2008. This section includes appropriation bill totals for operating and capital improvements. In addition, this section contains an appropriation veto summary, the fiscal year general revenue estimate, a full time equivalent (FTE) summary by department and several charts and graphs depicting revenue and appropriation information.

Section II, **FY 2008 Departmental Budget Information**, provides detailed information on each state department. Information includes the appropriation amount, percentage increases or decreases, and the major changes from the previous fiscal year. This section also contains pie charts that display information unique to each department.

Section III, **Missouri State Finances**, provides historical expenditure information on the state's operating and capital improvement budgets. In addition, information is presented regarding past revenue collections, an analysis of state tax credits, bond indebtedness, and the distribution of gaming, lottery and tobacco settlement revenues.

Section IV, **Legislation**, provides a fiscal impact summary of legislation enacted in 2007. Detailed summaries are provided for Senate Bill 389 (Nodler) related to higher education, Senate Bill 577 (Shields) enacts MO Healthnet, and House Bill 444 (Jetton) Social Security deduction.

Section V, **Topics of Interest**, provides information about a wide variety of subjects of current interest. This section contains information related to the highway fund cap, court ordered desegregation, state employee pay plan history, state rankings and performance, budget reserve fund, total state revenue calculation, budget process overview, and the calendar of floor action on appropriation bills.

We hope that the Annual Fiscal Report will provide the reader with a wide range of interesting topics regarding the Missouri state budget and finances. If you have any comments or suggestions please send them to Dan Haug, Senate Appropriations Committee Staff, Rm. B-8, State Capitol Building, fax them to (573) 751-4778 or e-mail him at DHaug@senate.mo.gov.

Senate Appropriations Staff
Budget Assignments

Phone: 751-2893

Fax: 751-4778

Dan Haug

DHaug@senate.mo.gov

Economic and Revenue Forecasting
Public Debt (HB 1)
Department of Transportation (HB 4)
Department of Revenue (HB 4)
General Assembly (HB 12)
Elected Officials (HB 12)

Angie Giddings

AGiddings@senate.mo.gov

Department of Public Safety (HB 8)
Department of Corrections (HB 9)
Judiciary (HB 12)
Public Defender (HB 12)
Statewide Leasing (HB 13)
Capital Improvements
Reappropriations

Adam Koenigsfeld

AKoenigsfeld@senate.mo.gov

Department of Agriculture (HB 6)
Department of Natural Resources (HB 6)
Department of Conservation (HB 6)
Department of Social Services (HB 11)

Martha Davis

MDavis@senate.mo.gov

Department of Mental Health (HB 10)
Department of Health and Senior Services (HB 10)

Trevor Foley

TFoley@senate.mo.gov

Department of Elementary & Secondary Education (HB 2)
Department of Higher Education (HB 3)

Davin Althoff

DAlthoff@senate.mo.gov

Office of Administration (HB 5)
Employee Benefits (HB 5)
Department of Labor & Industrial Relations (HB 7)
Department of Insurance (HB 7)
Department of Economic Development (HB 7)

Michelle Kliethermes

MKliethermes@senate.mo.gov

Support Staff

Revised: August 21, 2007

Section I

FISCAL YEAR 2008 STATEWIDE BUDGET INFORMATION

FY 2008 OPERATING BUDGET SUMMARY

| House Bill | FY 2006 Prior Year Expenditures | FY 2007 Current Year Appropriations | Governor's Amended Recommendation | House Recommendation | Senate Recommendation | Conference Recommendation | After Veto Recommendation |
|-----------------|--|---|---|-------------------------|--------------------------|------------------------------|------------------------------|
| 1 | <u>Public Debt</u> | | | | | | |
| General Revenue | \$ 68,207,584 | \$ 91,358,692 | \$ 91,464,696 | \$ 91,464,696 | \$ 91,464,696 | \$ 91,464,696 | \$ 91,464,696 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Funds | 980,825 | 6,287,634 | 6,155,798 | 6,155,798 | 6,155,798 | 6,155,798 | 6,155,798 |
| Total | \$ 69,188,409 | \$ 97,646,326 | \$ 97,620,494 | \$ 97,620,494 | \$ 97,620,494 | \$ 97,620,494 | \$ 97,620,494 |
| 2 | <u>Elementary and Secondary Education</u> | | | | | | |
| General Revenue | \$ 2,564,869,759 | \$ 2,739,824,155 | \$ 2,842,990,900 | \$ 2,849,899,545 | \$ 2,838,864,196 | \$ 2,844,383,545 | \$ 2,844,383,545 |
| Federal Funds | 851,869,621 | 939,524,896 | 956,462,095 | 956,462,095 | 956,462,095 | 956,462,095 | 956,462,095 |
| Other Funds | 1,334,292,956 | 1,337,181,733 | 1,411,503,635 | 1,418,575,339 | 1,415,975,339 | 1,418,575,339 | 1,418,575,339 |
| Total | \$ 4,751,032,336 | \$ 5,016,530,784 | \$ 5,210,956,630 | \$ 5,224,936,979 | \$ 5,211,301,630 | \$ 5,219,420,979 | \$ 5,219,420,979 |
| 3 | <u>Higher Education</u> | | | | | | |
| General Revenue | \$ 831,264,897 | \$ 879,356,731 | \$ 933,931,649 | \$ 935,452,532 | \$ 936,156,532 | \$ 936,476,532 | \$ 936,476,532 |
| Federal Funds | 2,661,494 | 6,468,111 | 6,482,693 | 6,482,693 | 6,482,693 | 6,482,693 | 6,482,693 |
| Other Funds | 169,475,019 | 182,792,028 | 229,601,090 | 213,601,090 | 232,101,090 | 232,101,090 | 232,101,090 |
| Total | \$ 1,003,401,410 | \$ 1,068,616,870 | \$ 1,170,015,432 | \$ 1,155,536,315 | \$ 1,174,740,315 | \$ 1,175,060,315 | \$ 1,175,060,315 |
| 4 | <u>Revenue</u> | | | | | | |
| General Revenue | \$ 90,046,098 | \$ 85,437,324 | \$ 88,233,233 | \$ 87,861,120 | \$ 88,331,921 | \$ 88,418,233 | \$ 88,418,233 |
| Federal Funds | 5,012,820 | 6,404,905 | 6,411,958 | 6,411,958 | 6,411,958 | 6,411,958 | 6,411,958 |
| Other Funds | 353,684,526 | 320,377,203 | 343,911,546 | 343,711,546 | 343,711,546 | 343,711,546 | 343,711,546 |
| Total | \$ 448,743,444 | \$ 412,219,432 | \$ 438,556,737 | \$ 437,984,624 | \$ 438,455,425 | \$ 438,541,737 | \$ 438,541,737 |
| 4 | <u>Transportation</u> | | | | | | |
| General Revenue | \$ 11,476,821 | \$ 11,859,321 | \$ 12,409,321 | \$ 6,259,321 | \$ 12,409,321 | \$ 12,559,321 | \$ 12,559,321 |
| Federal Funds | 67,253,324 | 53,751,383 | 59,729,150 | 59,729,150 | 59,729,150 | 59,729,150 | 59,729,150 |
| Other Funds | 2,015,926,284 | 2,555,849,644 | 2,161,235,280 | 2,161,235,280 | 2,161,235,280 | 2,161,235,280 | 2,161,235,280 |
| Total | \$ 2,094,656,429 | \$ 2,621,460,348 | \$ 2,233,373,751 | \$ 2,227,223,751 | \$ 2,233,373,751 | \$ 2,233,523,751 | \$ 2,233,523,751 |
| 5 | <u>Office of Administration</u> | | | | | | |
| General Revenue | \$ 162,794,441 | \$ 170,700,804 | \$ 179,081,505 | \$ 176,907,131 | \$ 175,471,539 | \$ 174,967,305 | \$ 174,967,305 |
| Federal Funds | 6,226,469 | 76,306,928 | 74,978,156 | 74,978,156 | 74,978,156 | 74,978,156 | 74,978,156 |
| Other Funds | 14,985,535 | 28,871,430 | 36,260,668 | 36,260,668 | 38,092,937 | 37,110,668 | 37,110,668 |
| Total | \$ 184,006,445 | \$ 275,879,162 | \$ 290,320,329 | \$ 288,145,955 | \$ 288,542,632 | \$ 287,056,129 | \$ 287,056,129 |
| 5 | <u>Employee Benefits</u> | | | | | | |
| General Revenue | \$ 476,514,858 | \$ 510,411,801 | \$ 526,349,089 | \$ 511,914,799 | \$ 511,486,144 | \$ 511,060,457 | \$ 511,060,457 |
| Federal Funds | 134,752,988 | 160,837,877 | 164,654,970 | 164,654,970 | 158,710,521 | 158,710,521 | 158,710,521 |
| Other Funds | 122,647,377 | 144,728,612 | 151,857,232 | 151,857,232 | 148,200,684 | 148,231,944 | 148,231,944 |
| Total | \$ 733,915,223 | \$ 815,978,290 | \$ 842,861,291 | \$ 828,427,001 | \$ 818,397,329 | \$ 818,002,922 | \$ 818,002,922 |
| 6 | <u>Agriculture</u> | | | | | | |
| General Revenue | \$ 16,252,834 | \$ 22,832,655 | \$ 52,311,714 | \$ 52,328,691 | \$ 44,988,322 | \$ 51,609,757 | \$ 51,609,757 |
| Federal Funds | 1,864,911 | 4,933,906 | 4,742,270 | 4,522,577 | 4,522,577 | 4,522,577 | 4,522,577 |
| Other Funds | 10,470,071 | 14,925,244 | 14,194,369 | 14,944,369 | 14,779,969 | 14,779,969 | 14,779,969 |
| Total | \$ 28,587,816 | \$ 42,691,805 | \$ 71,248,353 | \$ 71,795,637 | \$ 64,290,868 | \$ 70,912,303 | \$ 70,912,303 |

FY 2008 OPERATING BUDGET SUMMARY

| House Bill | FY 2006 Prior Year Expenditures | FY 2007 Current Year Appropriations | Governor's Amended Recommendation | House Recommendation | Senate Recommendation | Conference Recommendation | After Veto Recommendation |
|------------|---------------------------------------|---|---|-------------------------|--------------------------|------------------------------|------------------------------|
| 6 | <u>Natural Resources</u> | | | | | | |
| | General Revenue | \$ 6,378,607 | \$ 10,047,582 | \$ 12,093,469 | \$ 12,093,469 | \$ 12,093,469 | \$ 12,093,469 |
| | Federal Funds | 34,327,818 | 42,796,822 | 43,242,217 | 43,242,217 | 43,242,217 | 43,242,217 |
| | Other Funds | 266,639,064 | 270,789,147 | 272,231,042 | 272,502,609 | 271,917,009 | 271,917,009 |
| | Total | \$ 307,345,489 | \$ 323,633,551 | \$ 327,566,728 | \$ 327,838,295 | \$ 326,897,913 | \$ 327,252,695 |
| 6 | <u>Conservation</u> | | | | | | |
| | General Revenue | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| | Other Funds | 127,567,790 | 141,048,873 | 143,254,143 | 143,254,143 | 141,048,874 | 143,254,143 |
| | Total | \$ 127,567,790 | \$ 141,048,873 | \$ 143,254,143 | \$ 143,254,143 | \$ 141,048,874 | \$ 143,254,143 |
| 7 | <u>Economic Development</u> | | | | | | |
| | General Revenue | \$ 34,752,844 | \$ 43,885,380 | \$ 62,782,990 | \$ 64,882,990 | \$ 62,526,224 | \$ 64,257,953 |
| | Federal Funds | 133,858,300 | 158,714,384 | 169,435,600 | 169,487,070 | 169,435,600 | 169,435,600 |
| | Other Funds | 30,734,654 | 58,515,451 | 94,560,485 | 72,265,950 | 71,665,950 | 71,665,950 |
| | Total | \$ 199,345,798 | \$ 261,115,215 | \$ 326,779,075 | \$ 306,636,010 | \$ 303,603,608 | \$ 305,359,503 |
| 7 | <u>Insurance</u> | | | | | | |
| | General Revenue | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | Federal Funds | 558,594 | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 |
| | Other Funds | 28,107,710 | 34,031,104 | 35,033,466 | 35,033,466 | 35,033,466 | 35,033,466 |
| | Total | \$ 28,666,304 | \$ 34,631,104 | \$ 35,633,466 | \$ 35,633,466 | \$ 35,633,466 | \$ 35,633,466 |
| 7 | <u>Labor and Industrial Relations</u> | | | | | | |
| | General Revenue | \$ 2,404,167 | \$ 2,462,141 | \$ 2,514,130 | \$ 2,543,177 | \$ 2,514,130 | \$ 2,543,177 |
| | Federal Funds | 42,974,397 | 55,793,665 | 52,941,570 | 52,912,523 | 52,941,570 | 52,912,523 |
| | Other Funds | 95,779,788 | 95,166,771 | 89,769,773 | 93,021,857 | 90,145,653 | 90,145,653 |
| | Total | \$ 141,158,352 | \$ 153,422,577 | \$ 145,225,473 | \$ 148,477,557 | \$ 145,601,353 | \$ 145,601,353 |
| 8 | <u>Public Safety</u> | | | | | | |
| | General Revenue | \$ 69,367,711 | \$ 63,966,596 | \$ 74,883,670 | \$ 73,870,665 | \$ 74,654,117 | \$ 75,062,497 |
| | Federal Funds | 115,599,813 | 81,482,031 | 114,796,386 | 114,842,756 | 112,353,337 | 112,363,977 |
| | Other Funds | 224,594,129 | 275,041,211 | 276,671,019 | 278,228,940 | 277,950,729 | 278,657,529 |
| | Total | \$ 409,561,653 | \$ 420,489,838 | \$ 466,351,075 | \$ 466,742,361 | \$ 464,958,183 | \$ 466,084,003 |
| 9 | <u>Corrections</u> | | | | | | |
| | General Revenue | \$ 506,016,408 | \$ 586,127,292 | \$ 568,485,880 | \$ 559,500,783 | \$ 573,635,496 | \$ 569,234,250 |
| | Federal Funds | 4,479,859 | 8,587,041 | 7,468,169 | 7,468,169 | 7,468,169 | 7,468,169 |
| | Other Funds | 27,645,437 | 43,632,887 | 47,396,485 | 47,396,485 | 47,401,710 | 47,396,485 |
| | Total | \$ 538,141,704 | \$ 638,347,220 | \$ 623,350,534 | \$ 614,365,437 | \$ 628,505,375 | \$ 624,098,904 |
| 10 | <u>Mental Health</u> | | | | | | |
| | General Revenue | \$ 524,314,568 | \$ 554,004,413 | \$ 570,964,345 | \$ 583,261,998 | \$ 590,806,422 | \$ 590,355,650 |
| | Federal Funds | 405,125,432 | 451,928,567 | 461,214,374 | 471,339,555 | 483,292,082 | 482,058,417 |
| | Other Funds | 33,434,220 | 39,079,337 | 37,713,533 | 38,532,206 | 38,259,323 | 38,160,615 |
| | Total | \$ 962,874,220 | \$ 1,045,012,317 | \$ 1,069,892,252 | \$ 1,093,133,759 | \$ 1,112,357,827 | \$ 1,110,574,682 |

FY 2008 OPERATING BUDGET SUMMARY

| House Bill | FY 2006 Prior Year Expenditures | FY 2007 Current Year Appropriations | Governor's Amended Recommendation | House Recommendation | Senate Recommendation | Conference Recommendation | After Veto Recommendation |
|-------------------------------|---------------------------------------|---|---|--------------------------|--------------------------|------------------------------|------------------------------|
| 10 Health | | | | | | | |
| General Revenue | \$ 205,719,205 | \$ 228,301,096 | \$ 237,572,918 | \$ 234,657,980 | \$ 234,731,649 | \$ 230,529,204 | \$ 230,529,204 |
| Federal Funds | 511,193,034 | 567,288,385 | 576,810,056 | 577,606,853 | 570,502,058 | 571,858,282 | 571,858,282 |
| Other Funds | 27,180,129 | 26,767,085 | 28,686,850 | 28,041,392 | 27,241,392 | 27,241,392 | 27,241,392 |
| Total | \$ 744,092,368 | \$ 822,356,566 | \$ 843,069,824 | \$ 840,306,225 | \$ 832,475,099 | \$ 829,628,878 | \$ 829,628,878 |
| 11 Social Services | | | | | | | |
| General Revenue | \$ 1,252,305,354 | \$ 1,415,767,492 | \$ 1,577,423,462 | \$ 1,586,222,749 | \$ 1,554,259,776 | \$ 1,573,140,417 | \$ 1,573,140,417 |
| Federal Funds | 3,092,663,992 | 3,439,130,872 | 3,381,677,652 | 3,393,757,370 | 3,321,719,781 | 3,390,144,700 | 3,390,144,700 |
| Other Funds | 1,641,279,745 | 1,322,144,638 | 1,650,738,873 | 1,658,490,502 | 1,680,390,239 | 1,680,832,676 | 1,680,832,676 |
| Total | \$ 5,986,249,091 | \$ 6,177,043,002 | \$ 6,609,839,987 | \$ 6,638,470,621 | \$ 6,556,369,796 | \$ 6,644,117,793 | \$ 6,644,117,793 |
| 12 Elected Officials | | | | | | | |
| General Revenue | \$ 47,950,908 | \$ 46,224,199 | \$ 48,435,005 | \$ 48,410,819 | \$ 48,096,856 | \$ 48,501,656 | \$ 48,501,656 |
| Federal Funds | 30,621,697 | 38,181,093 | 23,358,160 | 23,358,160 | 23,358,160 | 23,358,160 | 23,358,160 |
| Other Funds | 36,753,686 | 45,933,279 | 46,745,482 | 43,436,553 | 46,839,935 | 46,689,935 | 46,689,935 |
| Total | \$ 115,326,291 | \$ 130,338,571 | \$ 118,538,647 | \$ 115,205,532 | \$ 118,294,951 | \$ 118,549,751 | \$ 118,549,751 |
| 12 Judiciary | | | | | | | |
| General Revenue | \$ 140,269,453 | \$ 155,267,876 | \$ 159,174,952 | \$ 160,127,332 | \$ 163,731,465 | \$ 164,129,636 | \$ 164,129,636 |
| Federal Funds | 8,385,862 | 9,700,642 | 10,284,578 | 10,284,578 | 10,284,578 | 10,284,578 | 10,284,578 |
| Other Funds | 8,817,536 | 10,279,339 | 10,237,705 | 10,237,705 | 10,237,705 | 10,237,705 | 10,237,705 |
| Total | \$ 157,472,851 | \$ 175,247,857 | \$ 179,697,235 | \$ 180,649,615 | \$ 184,253,748 | \$ 184,651,919 | \$ 184,651,919 |
| 12 Public Defender | | | | | | | |
| General Revenue | \$ 28,462,879 | \$ 30,337,822 | \$ 31,530,606 | \$ 31,530,606 | \$ 33,986,366 | \$ 32,836,366 | \$ 32,680,606 |
| Federal Funds | 0 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| Other Funds | 1,205,707 | 1,972,829 | 2,976,491 | 2,976,491 | 2,976,491 | 2,976,491 | 2,976,491 |
| Total | \$ 29,668,586 | \$ 32,435,651 | \$ 34,632,097 | \$ 34,632,097 | \$ 37,087,857 | \$ 35,937,857 | \$ 35,782,097 |
| 12 General Assembly | | | | | | | |
| General Revenue | \$ 29,812,209 | \$ 32,300,398 | \$ 32,994,962 | \$ 33,148,859 | \$ 33,288,562 | \$ 33,248,859 | \$ 33,248,859 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Funds | 149,144 | 193,567 | 194,250 | 194,250 | 194,250 | 194,250 | 194,250 |
| Total | \$ 29,961,353 | \$ 32,493,965 | \$ 33,189,212 | \$ 33,343,109 | \$ 33,482,812 | \$ 33,443,109 | \$ 33,443,109 |
| 13 Statewide Leasing | | | | | | | |
| General Revenue | \$ 35,506,075 | \$ 41,228,202 | \$ 107,517,431 | \$ 107,305,834 | \$ 106,402,818 | \$ 106,190,419 | \$ 106,190,419 |
| Federal Funds | 12,716,059 | 20,006,708 | 23,496,176 | 23,496,176 | 23,627,113 | 23,627,113 | 23,627,113 |
| Other Funds | 4,634,290 | 9,065,212 | 13,652,953 | 13,652,953 | 13,640,476 | 13,640,476 | 13,640,476 |
| Total | \$ 52,856,424 | \$ 70,300,122 | \$ 144,666,560 | \$ 144,454,963 | \$ 143,670,407 | \$ 143,458,008 | \$ 143,458,008 |
| Total Operating Budget | | | | | | | |
| General Revenue | \$ 7,104,687,680 | \$ 7,721,701,972 | \$ 8,213,145,927 | \$ 8,209,645,096 | \$ 8,189,900,021 | \$ 8,213,063,399 | \$ 8,212,907,639 |
| Federal Funds | 5,462,146,484 | 6,122,563,216 | 6,138,911,230 | 6,161,562,026 | 6,086,246,815 | 6,154,775,886 | 6,154,775,886 |
| Other Funds | 6,576,985,622 | 6,964,674,258 | 7,104,582,168 | 7,083,606,824 | 7,114,816,877 | 7,119,945,409 | 7,119,945,409 |
| Total | \$ 19,143,819,786 | \$ 20,808,939,446 | \$ 21,456,639,325 | \$ 21,454,813,946 | \$ 21,390,963,713 | \$ 21,487,784,694 | \$ 21,487,628,934 |

FY 2008 OPERATING BUDGET SUMMARY

| House Bill | FY 2006 Prior Year Expenditures | FY 2007 Current Year Appropriations | Governor's Amended Recommendation | House Recommendation | Senate Recommendation | Conference Recommendation | After Veto Recommendation |
|-----------------|---------------------------------------|---|---|-------------------------|--------------------------|------------------------------|------------------------------|
| <u>Refunds</u> | | | | | | | |
| General Revenue | \$ 1,127,743,978 | \$ 1,245,255,371 | \$ 1,300,173,371 | \$ 1,300,173,371 | \$ 1,300,173,371 | \$ 1,300,173,371 | \$ 1,300,173,371 |
| Federal Funds | 2,394,382 | 1,731,347 | 1,731,347 | 1,731,347 | 1,731,347 | 1,731,347 | 1,731,347 |
| Other Funds | 43,916,135 | 46,867,751 | 46,867,749 | 46,867,749 | 45,697,847 | 45,697,847 | 45,697,847 |
| Total | \$ 1,174,054,495 | \$ 1,293,854,469 | \$ 1,348,772,467 | \$ 1,348,772,467 | \$ 1,347,602,565 | \$ 1,347,602,565 | \$ 1,347,602,565 |

FY 2008 FTE SUMMARY

9/12/2007

| House Bill | FY06 Prior Year Actual | FY 07 Current Year | Governor's Amended Recommendation | House Recommendation | Senate Recommendation | Conference Recommendation | After Veto Recommendation |
|---|------------------------------|-----------------------|---|-------------------------|--------------------------|------------------------------|------------------------------|
| 1 Public Debt | | | | | | | |
| General Revenue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Federal Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2 Elementary and Secondary Education | | | | | | | |
| General Revenue | 981.28 | 972.45 | 964.45 | 964.45 | 964.45 | 964.45 | 964.45 |
| Federal Funds | 779.11 | 856.01 | 855.26 | 855.26 | 855.26 | 855.26 | 855.26 |
| Other Funds | 5.55 | 14.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 |
| Total | 1,765.94 | 1,842.46 | 1,831.71 | 1,831.71 | 1,831.71 | 1,831.71 | 1,831.71 |
| 3 Higher Education | | | | | | | |
| General Revenue | 13.70 | 12.57 | 12.50 | 12.50 | 12.50 | 12.50 | 12.50 |
| Federal Funds | 8.64 | 12.58 | 12.58 | 12.58 | 12.58 | 12.58 | 12.58 |
| Other Funds | 43.92 | 50.77 | 50.59 | 50.59 | 50.59 | 50.59 | 50.59 |
| Total | 66.26 | 75.92 | 75.67 | 75.67 | 75.67 | 75.67 | 75.67 |
| 4 Revenue | | | | | | | |
| General Revenue | 1,250.14 | 1,168.87 | 1,168.67 | 1,168.67 | 1,168.67 | 1,168.67 | 1,168.67 |
| Federal Funds | 2.39 | 6.74 | 6.74 | 6.74 | 6.74 | 6.74 | 6.74 |
| Other Funds | 471.62 | 453.55 | 453.55 | 453.55 | 453.55 | 453.55 | 453.55 |
| Total | 1,724.15 | 1,629.16 | 1,628.96 | 1,628.96 | 1,628.96 | 1,628.96 | 1,628.96 |
| 4 Transportation | | | | | | | |
| General Revenue | 6.18 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Federal Funds | 15.26 | 17.98 | 17.98 | 17.98 | 17.98 | 17.98 | 17.98 |
| Other Funds | 7,047.77 | 6,987.97 | 6,987.97 | 6,987.97 | 6,987.97 | 6,987.97 | 6,987.97 |
| Total | 7,069.21 | 7,005.95 | 7,005.95 | 7,005.95 | 7,005.95 | 7,005.95 | 7,005.95 |
| 5 Office of Administration | | | | | | | |
| General Revenue | 339.72 | 817.88 | 820.43 | 820.43 | 820.66 | 820.43 | 820.43 |
| Federal Funds | 3.33 | 352.24 | 350.66 | 350.66 | 350.66 | 350.66 | 350.66 |
| Other Funds | 423.43 | 662.93 | 943.37 | 943.37 | 943.37 | 943.37 | 943.37 |
| Total | 766.48 | 1,833.05 | 2,114.46 | 2,114.46 | 2,114.69 | 2,114.46 | 2,114.46 |
| 6 Agriculture | | | | | | | |
| General Revenue | 179.51 | 188.81 | 191.81 | 194.81 | 191.81 | 193.81 | 193.81 |
| Federal Funds | 26.30 | 36.86 | 35.86 | 33.36 | 33.36 | 33.36 | 33.36 |
| Other Funds | 145.28 | 187.63 | 174.63 | 174.63 | 174.63 | 174.63 | 174.63 |
| Total | 351.09 | 413.30 | 402.30 | 402.80 | 399.80 | 401.80 | 401.80 |
| 6 Natural Resources | | | | | | | |
| General Revenue | 144.60 | 118.32 | 138.00 | 138.00 | 138.00 | 138.00 | 138.00 |
| Federal Funds | 358.70 | 369.33 | 369.08 | 369.08 | 369.08 | 369.08 | 369.08 |
| Other Funds | 1,337.00 | 1,347.79 | 1,321.86 | 1,321.86 | 1,320.86 | 1,321.86 | 1,321.86 |
| Total | 1,840.30 | 1,835.44 | 1,828.94 | 1,828.94 | 1,827.94 | 1,828.94 | 1,828.94 |

FY 2008 FTE SUMMARY

9/12/2007

| House Bill | FY06 Prior Year Actual | FY 07 Current Year | Governor's Amended Recommendation | House Recommendation | Senate Recommendation | Conference Recommendation | After Veto Recommendation |
|---------------------------------------|------------------------------|-----------------------|---|-------------------------|--------------------------|------------------------------|------------------------------|
| 6 | | | | | | | |
| Conservation | | | | | | | |
| General Revenue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Federal Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Funds | 1,867.60 | 1,871.61 | 1,871.61 | 1,871.61 | 1,871.61 | 1,871.61 | 1,871.61 |
| Total | 1,867.60 | 1,871.61 | 1,871.61 | 1,871.61 | 1,871.61 | 1,871.61 | 1,871.61 |
| 7 | | | | | | | |
| Economic Development | | | | | | | |
| General Revenue | 84.13 | 79.41 | 79.60 | 79.60 | 79.60 | 79.60 | 79.60 |
| Federal Funds | 596.96 | 636.33 | 627.49 | 628.49 | 627.49 | 627.49 | 627.49 |
| Other Funds | 285.99 | 284.48 | 276.78 | 276.78 | 275.78 | 276.78 | 276.78 |
| Total | 967.08 | 1,000.22 | 983.87 | 984.87 | 982.87 | 983.87 | 983.87 |
| 7 | | | | | | | |
| Insurance | | | | | | | |
| General Revenue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Federal Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Funds | 518.63 | 523.65 | 527.65 | 532.65 | 527.65 | 527.65 | 527.65 |
| Total | 518.63 | 523.65 | 527.65 | 532.65 | 527.65 | 527.65 | 527.65 |
| 7 | | | | | | | |
| Labor and Industrial Relations | | | | | | | |
| General Revenue | 41.36 | 41.21 | 41.21 | 41.71 | 41.21 | 41.71 | 41.71 |
| Federal Funds | 777.06 | 808.87 | 717.82 | 717.32 | 717.82 | 717.32 | 717.32 |
| Other Funds | 169.07 | 199.83 | 199.38 | 252.38 | 199.38 | 199.38 | 199.38 |
| Total | 987.49 | 1,049.91 | 958.41 | 1,011.41 | 958.41 | 958.41 | 958.41 |
| 8 | | | | | | | |
| Public Safety | | | | | | | |
| General Revenue | 896.17 | 1,013.85 | 1,054.11 | 1,056.11 | 1,102.61 | 1,098.11 | 1,098.11 |
| Federal Funds | 379.09 | 455.03 | 434.52 | 434.52 | 435.52 | 434.52 | 434.52 |
| Other Funds | 3,475.32 | 3,479.88 | 3,438.88 | 3,437.88 | 3,503.88 | 3,503.88 | 3,503.88 |
| Total | 4,750.58 | 4,948.76 | 4,927.51 | 4,928.51 | 5,042.01 | 5,036.51 | 5,036.51 |
| 9 | | | | | | | |
| Corrections | | | | | | | |
| General Revenue | 11,048.08 | 10,928.73 | 10,743.73 | 10,743.73 | 10,743.73 | 10,743.73 | 10,743.73 |
| Federal Funds | 55.15 | 70.50 | 69.50 | 69.50 | 69.50 | 69.50 | 69.50 |
| Other Funds | 254.34 | 271.00 | 269.00 | 269.00 | 269.00 | 269.00 | 269.00 |
| Total | 11,357.57 | 11,270.23 | 11,082.23 | 11,082.23 | 11,082.23 | 11,082.23 | 11,082.23 |
| 10 | | | | | | | |
| Mental Health | | | | | | | |
| General Revenue | 8,536.24 | 8,122.56 | 8,112.66 | 8,111.66 | 8,152.88 | 8,112.66 | 8,112.66 |
| Federal Funds | 672.89 | 666.71 | 676.56 | 676.56 | 676.56 | 676.56 | 676.56 |
| Other Funds | 22.50 | 37.00 | 37.00 | 37.00 | 37.00 | 37.00 | 37.00 |
| Total | 9,231.63 | 8,826.27 | 8,826.22 | 8,825.22 | 8,866.44 | 8,826.22 | 8,826.22 |
| 10 | | | | | | | |
| Health | | | | | | | |
| General Revenue | 713.28 | 739.53 | 738.89 | 754.89 | 738.89 | 738.89 | 738.89 |
| Federal Funds | 1,075.68 | 1,107.79 | 1,082.14 | 1,082.14 | 1,082.14 | 1,082.14 | 1,082.14 |
| Other Funds | 103.97 | 102.29 | 102.92 | 102.92 | 102.92 | 102.92 | 102.92 |
| Total | 1,892.93 | 1,949.61 | 1,923.95 | 1,939.95 | 1,923.95 | 1,923.95 | 1,923.95 |

FY 2008 FTE SUMMARY

9/12/2007

| House Bill | FY06 Prior Year Actual | FY 07 Current Year | Governor's Amended Recommendation | House Recommendation | Senate Recommendation | Conference Recommendation | After Veto Recommendation |
|-----------------------------|------------------------------|-----------------------|---|-------------------------|--------------------------|------------------------------|------------------------------|
| 11 Social Services | | | | | | | |
| General Revenue | 3,027.62 | 2,808.18 | 2,796.93 | 2,796.93 | 2,796.68 | 2,796.93 | 2,796.93 |
| Federal Funds | 5,015.37 | 4,890.03 | 4,870.66 | 4,870.66 | 4,891.86 | 4,873.96 | 4,873.96 |
| Other Funds | 411.31 | 586.37 | 572.49 | 572.49 | 583.54 | 574.19 | 574.19 |
| Total | 8,454.30 | 8,284.58 | 8,240.08 | 8,240.08 | 8,272.08 | 8,245.08 | 8,245.08 |
| 12 Elected Officials | | | | | | | |
| General Revenue | 633.00 | 662.73 | 666.83 | 660.83 | 662.83 | 661.83 | 661.83 |
| Federal Funds | 67.71 | 93.61 | 98.51 | 98.51 | 98.51 | 98.51 | 98.51 |
| Other Funds | 176.94 | 210.68 | 214.68 | 161.18 | 213.68 | 213.68 | 213.68 |
| Total | 877.65 | 967.02 | 980.02 | 920.52 | 975.02 | 974.02 | 974.02 |
| 12 Judiciary | | | | | | | |
| General Revenue | 3,187.53 | 3,221.80 | 3,231.30 | 3,242.30 | 3,235.30 | 3,242.30 | 3,242.30 |
| Federal Funds | 62.00 | 99.25 | 101.25 | 101.25 | 101.25 | 101.25 | 101.25 |
| Other Funds | 54.81 | 62.50 | 60.50 | 60.50 | 60.50 | 60.50 | 60.50 |
| Total | 3,304.34 | 3,383.55 | 3,393.05 | 3,404.05 | 3,397.05 | 3,404.05 | 3,404.05 |
| 12 Public Defender | | | | | | | |
| General Revenue | 555.90 | 558.13 | 558.13 | 558.13 | 558.13 | 558.13 | 558.13 |
| Federal Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Funds | 2.11 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Total | 558.01 | 560.13 | 560.13 | 560.13 | 560.13 | 560.13 | 560.13 |
| 12 General Assembly | | | | | | | |
| General Revenue | 666.89 | 710.84 | 711.84 | 711.84 | 711.84 | 711.84 | 711.84 |
| Federal Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Funds | 1.26 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Total | 668.15 | 711.84 | 712.84 | 712.84 | 712.84 | 712.84 | 712.84 |
| Total HB 1 - HB 12 | | | | | | | |
| General Revenue | 32,305.33 | 32,165.87 | 32,031.09 | 32,056.59 | 32,119.79 | 32,083.59 | 32,083.59 |
| Federal Funds | 9,895.64 | 10,479.86 | 10,326.61 | 10,324.61 | 10,346.31 | 10,326.91 | 10,326.91 |
| Other Funds | 16,818.42 | 17,336.93 | 17,517.86 | 17,521.36 | 17,590.91 | 17,583.56 | 17,583.56 |
| Total | 59,019.39 | 59,982.66 | 59,875.56 | 59,902.56 | 60,057.01 | 59,994.06 | 59,994.06 |

| SEC | DEPARTMENT | FUND | REQUEST | FTE | GOV | FTE | HOUSE | FTE | SENATE | FTE | CONF | FTE | Senate | FTE |
|--------------------------------------|--|------|------------|------|------------|------|------------|------|------------|------|------------|------|-----------|-----|
| Elementary & Secondary Ed | | | | | | | | | | | | | | |
| 14.005 | Foundation Formula | OTH | 38,682,310 | E | 38,682,310 | E | 38,682,310 | E | 38,682,310 | | 38,682,310 | E | 0 | E |
| 14.010 | Education Technology, Title II, Part D | FED | 600,000 | | 600,000 | | 600,000 | | 600,000 | | 600,000 | | 0 | |
| 14.015 | Advanced Placement | FED | 15,000 | | 15,000 | | 15,000 | | 15,000 | | 15,000 | | 0 | |
| Higher Education | | | | | | | | | | | | | | |
| 14.020 | Academic Scholarship Program Transfer | GR | 372,000 | | 372,000 | | 372,000 | | 372,000 | | 372,000 | | 0 | |
| 14.025 | Academic Scholarship Program NC | OTH | 372,000 | E | 372,000 | E | 372,000 | E | 372,000 | E | 372,000 | E | 0 | |
| 14.030 | Federal Student Loan Reserve Fund | OTH | 40,000,000 | E | 40,000,000 | E | 24,000,000 | E | 24,000,000 | E | 24,000,000 | E | 0 | |
| Revenue | | | | | | | | | | | | | | |
| 14.035 | Voter Identification | GR | 631,036 | | 631,036 | | 631,036 | | 0 | | 631,036 | | 631,036 | |
| 14.040 | Attorney Fees - Petroleum Inspection | OTH | 14,972 | | 14,972 | | 14,972 | | 14,972 | | 14,972 | | 0 | |
| 14.045 | Emblem Use Fee Distribution | GR | 1,000 | E | 1,000 | E | 1,000 | E | 1,000 | E | 1,000 | E | 0 | |
| 14.050 | Special Needs Adoption Tax Credit | GR | 3,000,000 | | 500,000 | | 500,000 | | 500,000 | | 500,000 | | 0 | |
| 14.052 | Debt Offset Escrow GA 2008-2 | GR | | | 1 | E | 1 | E | 1 | E | 1 | E | 0 | |
| 14.055 | Circuit Court Escrow Fund E | GR | 1 | E | 1 | E | 1 | E | 1 | E | 1 | E | 0 | |
| 14.060 | Amendment 3 Transfers | GR | 1,151,837 | | 1,151,837 | | 1,151,837 | | 1,151,837 | | 1,151,837 | | 0 | |
| 14.065 | Lottery Transfers to Education NC | OTH | 1 | E | 1 | E | 1 | E | 1 | E | 1 | E | 0 | |
| Agriculture | | | | | | | | | | | | | | |
| 14.070 | USDA Livestock Assistance Grants | GR | 67,450 | 0.96 | 44,457 | 0.96 | 44,457 | 0.96 | 44,457 | 0.96 | 44,457 | 0.96 | 0 | |
| 14.070 | USDA Livestock Assistance Grants | FED | 2,726,909 | E | 2,726,909 | E | 2,726,909 | E | 2,726,909 | E | 2,726,909 | E | 0 | |
| 14.075 | Deferred Ethanol Producer Incentives Trf | GR | 0 | | 4,720,191 | | 4,720,191 | | 0 | | 4,720,191 | | 4,720,191 | |
| 14.075 | Deferred Ethanol Producer Incentives Trf | OTH | 0 | | 375,000 | E | 375,000 | E | 0 | | 375,000 | E | 375,000 | E |
| 14.080 | Deferred Ethanol Producer Inc. Pmt NC | OTH | 0 | | 5,095,191 | | 5,095,191 | | 0 | | 5,095,191 | | 5,095,191 | |
| 14.085 | Increased Fuel costs | GR | 98,865 | | 23,857 | | 23,857 | | 23,857 | | 23,857 | | 0 | |
| 14.085 | Increased Fuel costs | FED | 24,295 | | 13,879 | | 13,879 | | 13,879 | | 13,879 | | 0 | |
| 14.085 | Increased Fuel costs | OTH | 68,998 | | 39,416 | | 39,416 | | 39,416 | | 39,416 | | 0 | |
| 14.090 | Odor Abatement Grant Program | GR | 500,000 | | 500,000 | | 500,000 | | 500,000 | | 500,000 | | 0 | |
| Economic Development | | | | | | | | | | | | | | |
| 14.095 | Business & Cmty Svs Core Modification | GR | 1,000,000 | | 983,324 | | 983,324 | | 983,324 | | 983,324 | | 0 | |
| 14.100 | Missouri Technology Corporation NC | OTH | 50,000 | | 50,000 | | 50,000 | | 0 | | 0 | | 0 | |

| SEC | DEPARTMENT | FUND | REQUEST | FTE | GOV | FTE | HOUSE | FTE | SENATE | FTE | CONF | FTE | Senate | FTE |
|-----------------------------------|---|------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|-----------|
| Public Safety | | | | | | | | | | | | | | |
| 14.105 | Highway Patrol fuel increase | GR | 114,512 | | 61,147 | | 61,147 | | 61,147 | | 61,147 | | 0 | |
| 14.105 | Highway Patrol fuel increase | OTH | 1,030,604 | | 406,071 | | 406,071 | | 406,071 | | 406,071 | | 0 | |
| 14.110 | Water Patrol fuel increase | GR | 100,000 | | 73,784 | | 73,784 | | 73,784 | | 73,784 | | 0 | |
| 14.115 | Fire Safety expense budget increase | GR | 45,000 | | 32,319 | | 32,319 | | 32,319 | | 32,319 | | 0 | |
| 14.115 | Fire Safety expense budget increase | OTH | 10,000 | | 7,050 | | 7,050 | | 7,050 | | 7,050 | | 0 | |
| 14.120 | Adj Gen Vietnam Veteran Medallions | OTH | 311,463 | 1.00 | 273,754 | | 273,754 | | 273,754 | | 273,754 | | 0 | |
| 14.125 | Adj Gen St. Louis Chippewa Armory | GR | 20,151 | 0.12 | 4,905 | 0.12 | 4,905 | 0.12 | 4,905 | 0.12 | 4,905 | 0.12 | 0 | |
| 14.125 | Adj Gen St. Louis Chippewa Armory | FED | 60,457 | 0.38 | 60,457 | 0.38 | 60,457 | 0.38 | 60,457 | 0.38 | 60,457 | 0.38 | 0 | |
| 14.130 | Adj Gen Communications increase | GR | 12,410 | | 12,114 | | 12,114 | | 12,114 | | 12,114 | | 0 | |
| 14.130 | Adj Gen Communications increase | FED | 65,150 | | 65,150 | | 65,150 | | 65,150 | | 65,150 | | 0 | |
| 14.130 | Adj Gen St. Joseph Airport use agreement | GR | 5,000 | | 5,000 | | 5,000 | | 5,000 | | 5,000 | | 0 | |
| 14.130 | Adj Gen St. Joseph Airport use agreement | FED | 15,000 | | 15,000 | | 15,000 | | 15,000 | | 15,000 | | 0 | |
| 14.130 | Adj Gen Fuel and Utilities increase | GR | 52,321 | | 52,321 | | 52,321 | | 52,321 | | 52,321 | | 0 | |
| 14.130 | Adj Gen Fuel and Utilities increase | FED | 83,853 | | 83,853 | | 83,853 | | 83,853 | | 83,853 | | 0 | |
| Mental Health | | | | | | | | | | | | | | |
| 14.135 | Refunds NC | GR | | 1 E | | 1 E | | 1 E | | 20,000 | | 1 E | | -19,999 E |
| 14.140 | Federal Funds | FED | 2,114,933 | 6.26 & E | 2,114,933 | 6.26 & E | 2,114,933 | 6.26 & E | 2,114,933 | 6.26 & E | 2,114,933 | 6.26 & E | 0 | |
| 14.145 | Inflationary Costs (motor fuel) | GR | 284,686 | | 221,111 | | 221,111 | | 221,111 | | 221,111 | | 0 | |
| 14.150 | Fuel & Utilities increased costs | GR | 1,172,120 | | 789,687 | | 789,687 | | 789,687 | | 789,687 | | 0 | |
| 14.152 | CIMOR assistance to providers GA 2008-6 NC | OTH | | | 613,700 | | | | 613,700 | | 613,700 | | 0 | |
| 14.155 | Fulton State Hosp capacity expansion | GR | 2,629,423 | | 1,280,411 | | 1,280,411 | | 1,280,411 | | 1,280,411 | | 0 | |
| 14.160 | Habilitation Center Funding | GR | 4,965,920 | 64.22 | 4,085,927 | 64.22 | 4,085,927 | 64.22 | 3,864,877 | 64.22 | 3,864,877 | 64.22 | 0 | |
| 14.160 | Habilitation Center Funding | FED | 2,962,764 | E | 2,762,764 | E | 2,762,764 | E | 2,762,764 | E | 2,762,764 | E | 0 | |
| 14.165 | Overtime | GR | 3,350,955 | | 3,278,024 | | 3,278,024 | | 2,628,024 | | 2,628,024 | | 0 | |
| Health and Senior Services | | | | | | | | | | | | | | |
| 14.170 | Mo Public Health Lab Services Authority | OTH | 968,744 | | 968,744 | | 968,744 | | 968,744 | | 968,744 | | 0 | |
| 14.175 | Purchase anti-viral agents | GR | 8,734,072 | | 8,734,072 | | 8,720,728 | | 0 | | 8,720,728 | | 8,720,728 | |
| 14.180 | State Only In-Home Program | GR | 2,188,602 | | 1,944,789 | | 1,944,789 | | 1,944,789 | | 1,944,789 | | 0 | |
| Social Services | | | | | | | | | | | | | | |
| 14.185 | Fuel and Utilities increased costs | GR | 160,774 | | 148,763 | | 148,763 | | 148,763 | | 148,763 | | 0 | |
| 14.190 | MMIS Modernization | GR | 650,000 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 14.190 | MMIS Modernization | FED | 650,000 | | 650,000 | | 225,000 | | 0 | | 225,000 | | 225,000 | |
| 14.190 | MMIS Modernization NC | OTH | 0 | | 650,000 | | 225,000 | | 0 | | 225,000 | | 225,000 | |
| 14.192 | Nursing facility federal reimbursement GA 200 | FED | | | 7,000,000 | | 7,000,000 | | 7,000,000 | | 7,000,000 | | 0 | |
| 14.192 | Nursing facility federal reimbursement GA 200 | OTH | | | 4,500,000 | | 4,500,000 | | 4,500,000 | | 4,500,000 | | 0 | |

| SEC | DEPARTMENT | FUND | REQUEST | FTE | GOV | FTE | HOUSE | FTE | SENATE | FTE | CONF | FTE | Senate | FTE |
|--|---|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|------------|------|
| Secretary of State | | | | | | | | | | | | | | |
| 14.195 | Photo ID costs | GR | 121,203 | | 121,203 | | 121,203 | | 0 | | 121,203 | | 121,203 | |
| 14.200 | Library Networking Fund Transfer | GR | 100,000 | | 100,000 | | 100,000 | | 100,000 | | 100,000 | | 0 | |
| Attorney General | | | | | | | | | | | | | | |
| 14.205 | Crime Victims Advocate | GR | 18,946 | 0.25 | 18,946 | 0.25 | 0 | 0.00 | 18,946 | 0.25 | 0 | 0.00 | -18,946 | |
| 14.205 | Mo Commission on Human Rights | GR | 39,890 | 0.50 | 39,890 | 0.50 | 0 | 0.00 | 19,945 | 0.25 | 0 | 0.00 | -19,945 | |
| 14.205 | Human Cloning Ban Enforcement | GR | 18,446 | 0.25 | 18,446 | 0.25 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | |
| 14.205 | Sexually Violent Predators Release | GR | 25,571 | 0.25 | 25,571 | 0.25 | 0 | 0.00 | 25,571 | 0.25 | 25,571 | 0.25 | 0 | |
| 14.205 | Petroleum Storage Tank Ins Fund | OTH | 23,570 | 0.25 | 23,570 | 0.25 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | |
| Judiciary | | | | | | | | | | | | | | |
| 14.210 | Basic Civil Legal Services Fund | OTH | 35,815 | | 35,815 | | 35,815 | | 35,815 | | 35,815 | | 0 | |
| 14.215 | Increase in Fine Collection Center | GR | 516,610 | | 516,610 | | 306,720 | | 0 | | 306,720 | | 306,720 | |
| | Judges workload study | GR | 196,618 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| Public Defender | | | | | | | | | | | | | | |
| 14.220 | Expense & Equipment increase | GR | 415,500 | | 415,500 | | 415,500 | | 415,500 | | 415,500 | | 0 | |
| 14.225 | Inc Legal Defense & Defender Fund | OTH | 1,000,000 | | 1,000,000 | | 1,000,000 | | 1,000,000 | | 1,000,000 | | 0 | |
| Maintenance, Repair, Construction | | | | | | | | | | | | | | |
| 14.230 | MSU Engineering equip & Lab develop GA 20 | OTH | 0 | | 500,000 | | 500,000 | | 0 | | 0 | | 0 | |
| 14.235 | UMR Engineering Equip & Lab develop GA 20 | OTH | 0 | | 500,000 | | 500,000 | | 0 | | 0 | | 0 | |
| 14.240 | FMDC - Increase FMRF transfer | GR | 4,221,951 | | 4,221,951 | | 4,221,951 | | 4,221,951 | | 4,221,951 | | 0 | |
| 14.245 | New State Health Lab | OTH | 1,500,000 | | 1,500,000 | | 1,500,000 | | 0 | | 1,250,000 | | 1,250,000 | |
| 14.250 | DPS Interoperable Radio System Phase I | OTH | 850,000 | | 850,000 | | 850,000 | | 0 | | 850,000 | | 850,000 | |
| TOTAL | | | | | | | | | | | | | | |
| | | GR | 36,982,870 | 66.55 | 35,130,195 | 66.55 | 34,804,108 | 65.30 | 19,497,642 | 66.05 | 33,958,629 | 65.55 | 14,460,987 | 0.00 |
| | | FED | 9,318,361 | 6.64 | 16,107,945 | 6.64 | 15,682,945 | 6.64 | 15,457,945 | 6.64 | 15,682,945 | 6.64 | 225,000 | 6.26 |
| | | OTH | 84,496,476 | 1.25 | 89,676,702 | 0.25 | 73,653,132 | 0.00 | 69,928,132 | 0.00 | 72,403,132 | 0.00 | 2,475,000 | 0.00 |
| | | TOTAL | 130,797,707 | 74.44 | 140,914,842 | 73.44 | 124,140,185 | 71.94 | 104,883,719 | 72.69 | 122,044,706 | 72.19 | 17,160,987 | 6.26 |

| SEC | DEPARTMENT | FUND | REQUEST | FTE | GOV | FTE | HOUSE | FTE | SENATE | FTE | CONF | FTE | Senate | FTE |
|---|--------------------------------------|------|---------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|--------|-----|
| <u>HB 15 Supplemental (Social Services)</u> | | | | | | | | | | | | | | |
| 15.005 | GR Transfer to Utilicare Fund | GR | 0 | | 6,317,148 | | 6,317,148 | | 6,317,148 | | 6,317,148 | | 0 | |
| 15.010 | Low Income Home Energy Assistance NC | OTH | 0 | | 6,317,148 | | 6,317,148 | | 6,317,148 | | 6,317,148 | | 0 | |

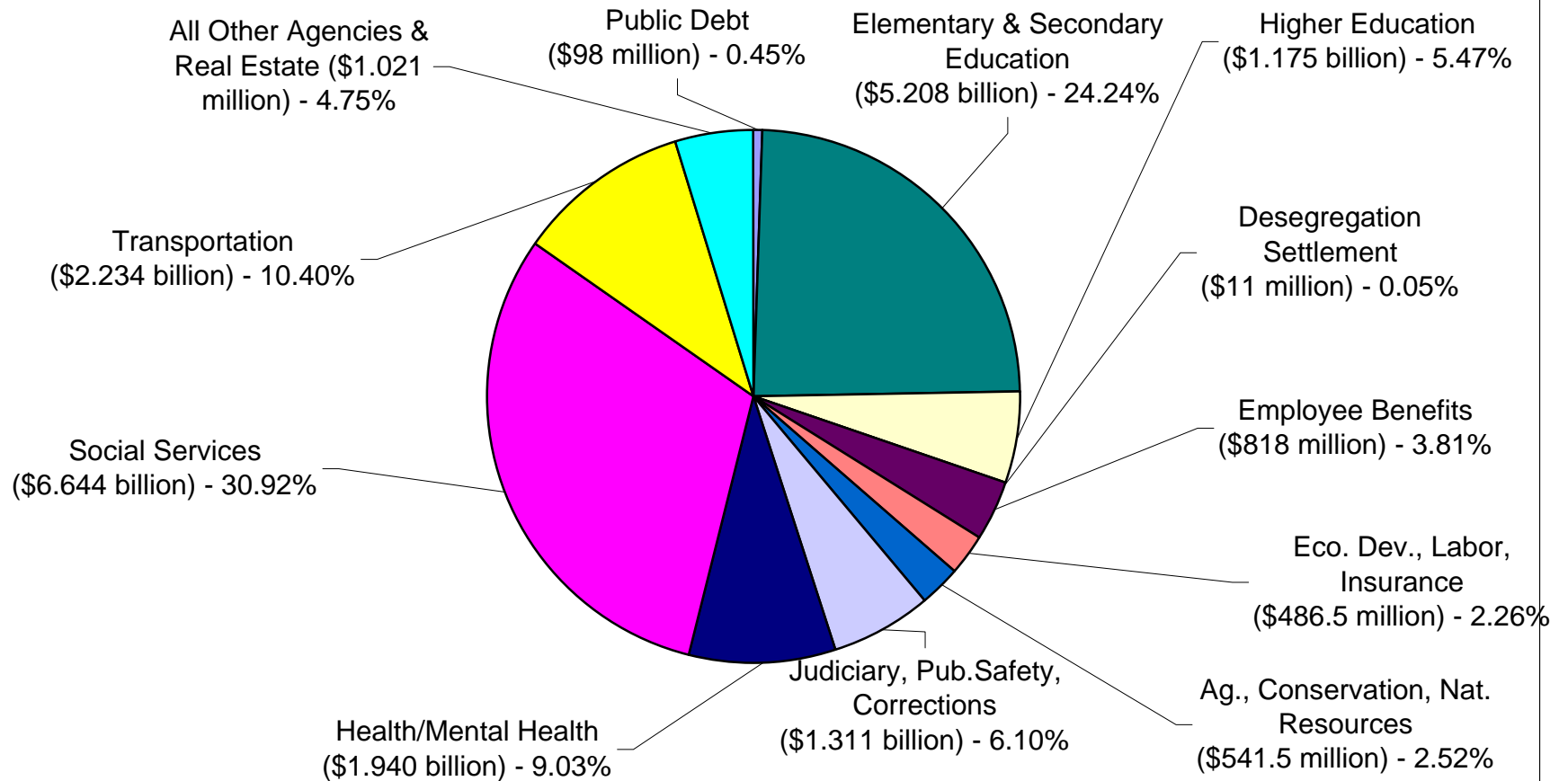
Conference
Over (Under)

| SEC | DEPARTMENT | FUND | REQUEST | FTE | GOV | FTE | HOUSE | FTE | SENATE | FTE | CONF | FTE | Senate | FTE |
|---|---|-------|---------|------|-------------|------|------------|------|-------------|------|-------------|------|--------|------|
| <u>HB 16 Supplemental (MOHELA deal)</u> | | | | | | | | | | | | | | |
| 16.005 | Charles Gallagher Program Transfer | GR | 0 | | 16,666,667 | | 16,666,667 | | 16,666,667 | | 16,666,667 | | 0 | |
| 16.010 | Gallagher Program Expenditures NC | OTH | 0 | | 16,666,667 | | 16,666,667 | | 16,666,667 | | 16,666,667 | | 0 | |
| 16.015 | Mo College Guarantee Program Transfer | OTH | 0 | | 8,333,333 | | 8,333,333 | | 8,333,333 | | 8,333,333 | | 0 | |
| 16.020 | Mo College Guarantee Program Exp NC | OTH | 0 | | 8,333,333 | | 8,333,333 | | 8,333,333 | | 8,333,333 | | 0 | |
| 16.025 | AHEC/PRIMO expansion | GR | 0 | | 3,400,000 | | 3,400,000 | | 3,400,000 | | 3,400,000 | | 0 | |
| 16.030 | FQHC's | GR | 0 | | 60,000,000 | | 60,000,000 | | 60,000,000 | | 60,000,000 | | 0 | |
| 16.035 | Central MO State Univ - Morrow/Garrison | OTH | 0 | | 13,229,000 | | 0 | | 13,229,000 | | 13,229,000 | | 0 | |
| 16.040 | Harris Stowe Univ - Early Childhood Edu | OTH | 0 | | 15,726,000 | | 0 | | 15,726,000 | | 15,726,000 | | 0 | |
| 16.045 | Lincoln Univ - Jason Hall | OTH | 0 | | 2,974,000 | | 0 | | 2,974,000 | | 2,974,000 | | 0 | |
| 16.050 | Linn State Tech - Heavy Equipment | OTH | 0 | | 5,000,000 | | 0 | | 5,000,000 | | 5,000,000 | | 0 | |
| 16.055 | MO Southern Joplin - Health Sciences Bldg | OTH | 0 | | 18,976,000 | | 0 | | 18,976,000 | | 18,976,000 | | 0 | |
| 16.060 | MO State Univ - Phase I Freeup | OTH | 0 | | 29,704,000 | | 0 | | 29,704,000 | | 29,704,000 | | 0 | |
| 16.065 | MO State Univ - Incubator (?) | OTH | 0 | | 5,000,000 | | 0 | | 5,000,000 | | 5,000,000 | | 0 | |
| 16.070 | MO Western Univ - Math/Science Bldg | OTH | 0 | | 30,115,000 | | 0 | | 30,115,000 | | 30,115,000 | | 0 | |
| 16.075 | Northwest MO State Univ - Plant Bio Ctr | OTH | 0 | | 24,400,000 | | 0 | | 24,400,000 | | 24,400,000 | | 0 | |
| 16.080 | Southeast MO State Univ - Dental Clinic | OTH | 0 | | 173,000 | | 0 | | 173,000 | | 173,000 | | 0 | |
| 16.085 | Southeast MO State Univ - Incubator | OTH | 0 | | 4,500,000 | | 0 | | 4,500,000 | | 4,500,000 | | 0 | |
| 16.090 | Southeast MO State Univ - River Campus | OTH | 0 | | 17,200,000 | | 0 | | 17,200,000 | | 17,200,000 | | 0 | |
| 16.095 | Southeast MO State Univ - Autism Center | OTH | 0 | | 2,638,000 | | 0 | | 2,638,000 | | 2,638,000 | | 0 | |
| 16.100 | Truman State Univ - Pershing Building | OTH | 0 | | 21,558,000 | | 0 | | 21,558,000 | | 21,558,000 | | 0 | |
| 16.105 | UMC - Ellis Fischel Building | OTH | 0 | | 31,182,000 | | 0 | | 0 | | 0 | | 0 | |
| 16.110 | UMC Plant Science Building | OTH | 0 | | 5,000,000 | | 0 | | 5,000,000 | | 5,000,000 | | 0 | |
| 16.115 | UM Greenley Facility | OTH | 0 | | 2,000,000 | | 0 | | 2,000,000 | | 2,000,000 | | 0 | |
| 16.120 | UM Delta Research Center | OTH | 0 | | 2,000,000 | | 0 | | 2,000,000 | | 2,000,000 | | 0 | |
| 16.125 | UM Edu & Outreach Center | OTH | 0 | | 3,300,000 | | 0 | | 3,300,000 | | 3,300,000 | | 0 | |
| 16.130 | UM Atch & Holt Facility | OTH | 0 | | 600,000 | | 0 | | 600,000 | | 600,000 | | 0 | |
| 16.135 | UM Howard County Facility | OTH | 0 | | 3,231,000 | | 0 | | 3,231,000 | | 3,231,000 | | 0 | |
| 16.140 | UM Gentry County Center | OTH | 0 | | 350,000 | | 0 | | 350,000 | | 350,000 | | 0 | |
| 16.145 | UM Grundy County Building | OTH | 0 | | 725,000 | | 0 | | 725,000 | | 725,000 | | 0 | |
| 16.150 | UM Crawford Facility | OTH | 0 | | 600,000 | | 0 | | 600,000 | | 600,000 | | 0 | |
| 16.155 | UM Boone County Facility | OTH | 0 | | 2,630,000 | | 0 | | 2,630,000 | | 2,630,000 | | 0 | |
| 16.160 | UM Callaway County Facility | OTH | 0 | | 600,000 | | 0 | | 600,000 | | 600,000 | | 0 | |
| 16.165 | UMKC Pharmacy & Nursing Building | OTH | 0 | | 15,000,000 | | 0 | | 15,000,000 | | 15,000,000 | | 0 | |
| 16.170 | UMKC Dental School Equipment | OTH | 0 | | 3,400,000 | | 0 | | 3,400,000 | | 3,400,000 | | 0 | |
| 16.175 | UMR Engineering Building | OTH | 0 | | 15,000,000 | | 0 | | 0 | | 0 | | 0 | |
| 16.180 | UMSL Benton & Stadler Buildings | OTH | 0 | | 28,500,000 | | 0 | | 28,500,000 | | 28,500,000 | | 0 | |
| 16.185 | Community Colleges | OTH | 0 | | 30,000,000 | | 0 | | 30,000,000 | | 30,000,000 | | 0 | |
| 16.190 | DED - MO Technology Corporation | OTH | 0 | | 15,000,000 | | 0 | | 15,000,000 | | 15,000,000 | | 0 | |
| | TOTAL | GR | 0 | | 80,066,667 | | 80,066,667 | | 80,066,667 | | 80,066,667 | | 0 | |
| | | FED | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| | | OTH | 0 | | 358,644,333 | | 8,333,333 | | 312,462,333 | | 312,462,333 | | 0 | |
| | | TOTAL | 0 | 0.00 | 438,711,000 | 0.00 | 88,400,000 | 0.00 | 392,529,000 | 0.00 | 392,529,000 | 0.00 | 0 | 0.00 |

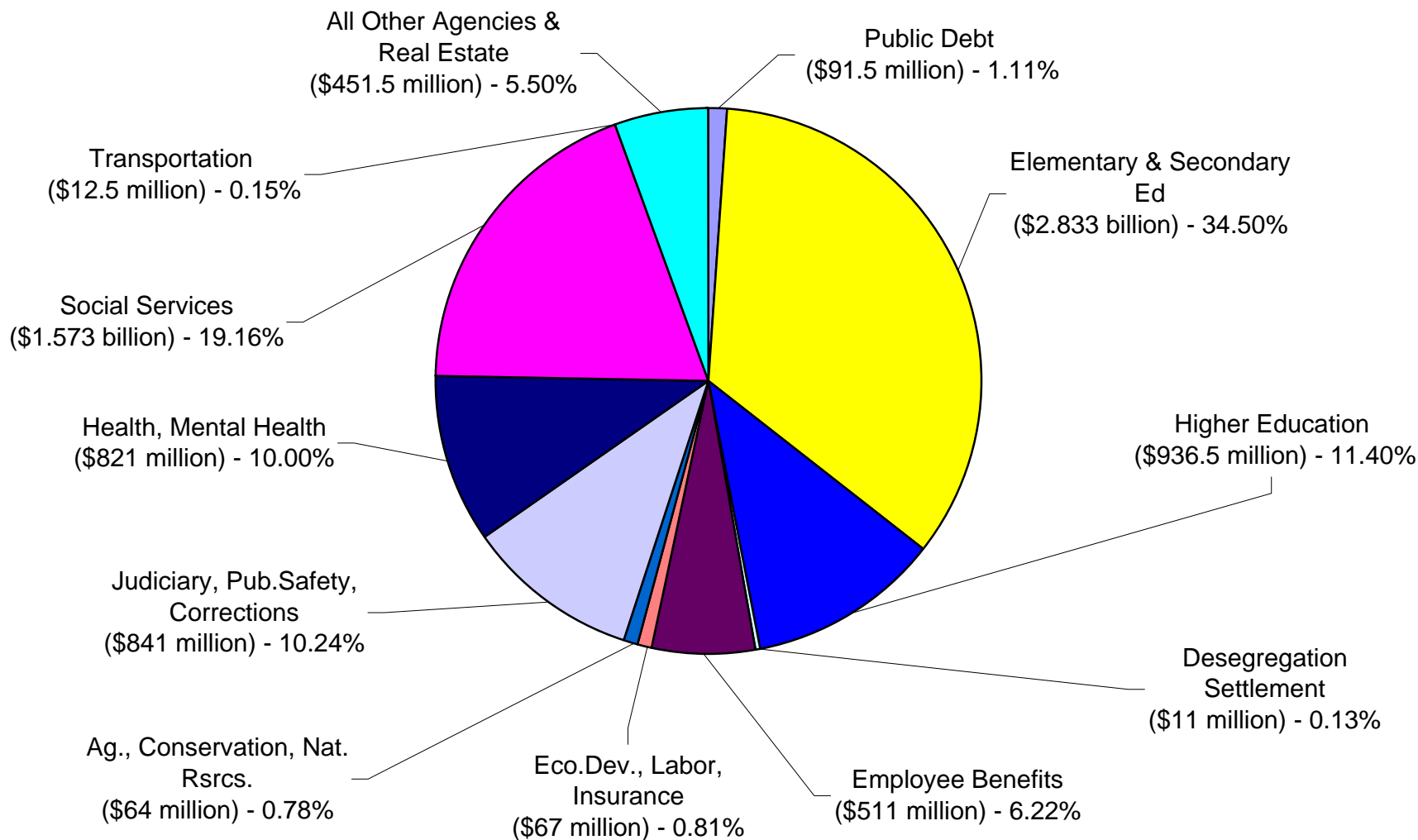
| SEC | DEPARTMENT | FUND | REQUEST | FTE | GOV | FTE | HOUSE | FTE | SENATE | FTE | CONF | FTE | Senate | FTE |
|-------------------------------|------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|--------|-----|
| Grand Total - all three bills | | | | | | | | | | | | | | |
| | TOTAL | GR | 36,982,870 | 66.55 | 121,514,010 | 66.55 | 121,187,923 | 65.30 | 105,881,457 | 66.05 | 120,342,444 | 65.55 | | |
| | | FED | 9,318,361 | 6.64 | 16,107,945 | 6.64 | 15,682,945 | 6.64 | 15,457,945 | 6.64 | 15,682,945 | 6.64 | | |
| | | OTH | 84,496,476 | 1.25 | 448,321,035 | 0.25 | 81,986,465 | 0.00 | 382,390,465 | 0.00 | 384,865,465 | 0.00 | | |
| | | TOTAL | 130,797,707 | 74.44 | 585,942,990 | 73.44 | 218,857,333 | 71.94 | 503,729,867 | 72.69 | 520,890,854 | 72.19 | | |

Prepared by Senate Appropriations Committee Staff

FY 2008 After Veto Operating Budget All Funds: \$21.488 Billion

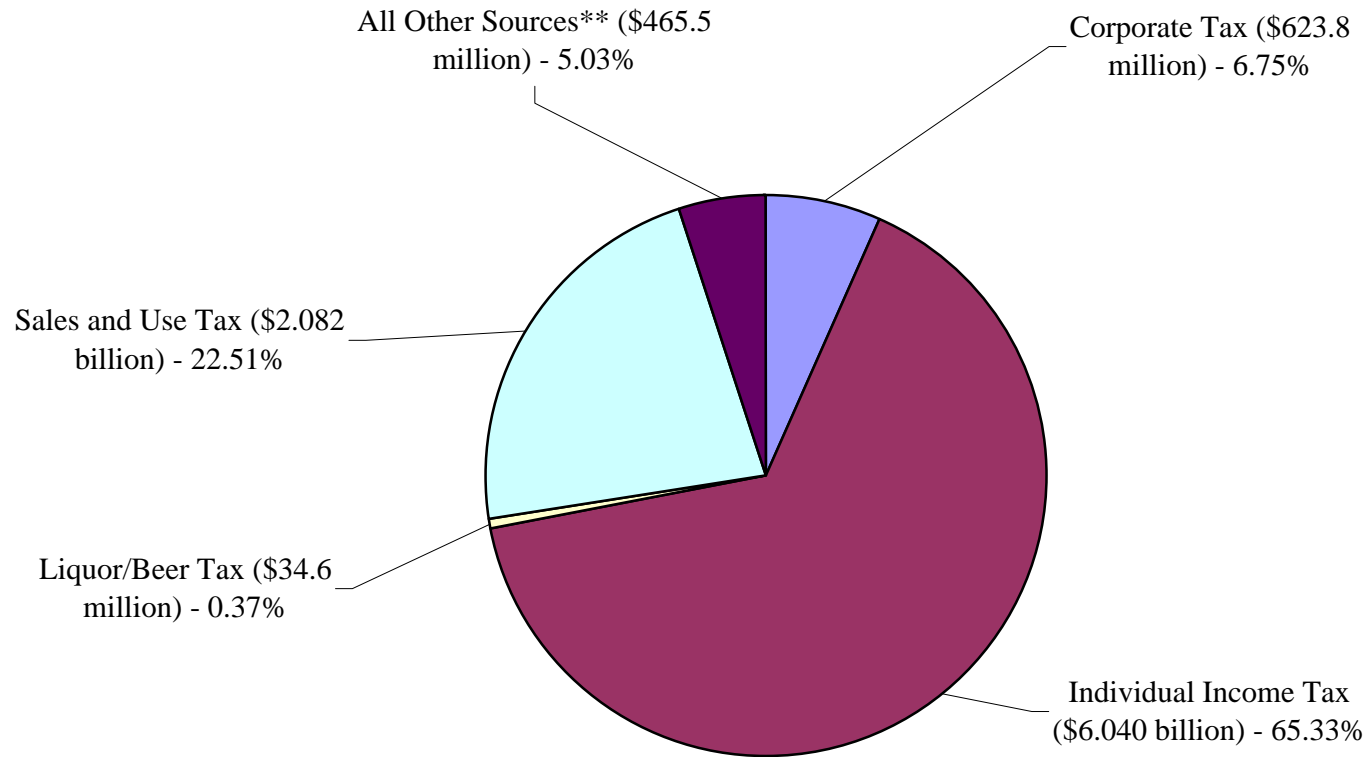


FY 2008 After Veto Operating Budget General Revenue: \$8.213 Billion



FY 2008 GR Estimate*

\$9.245 Billion

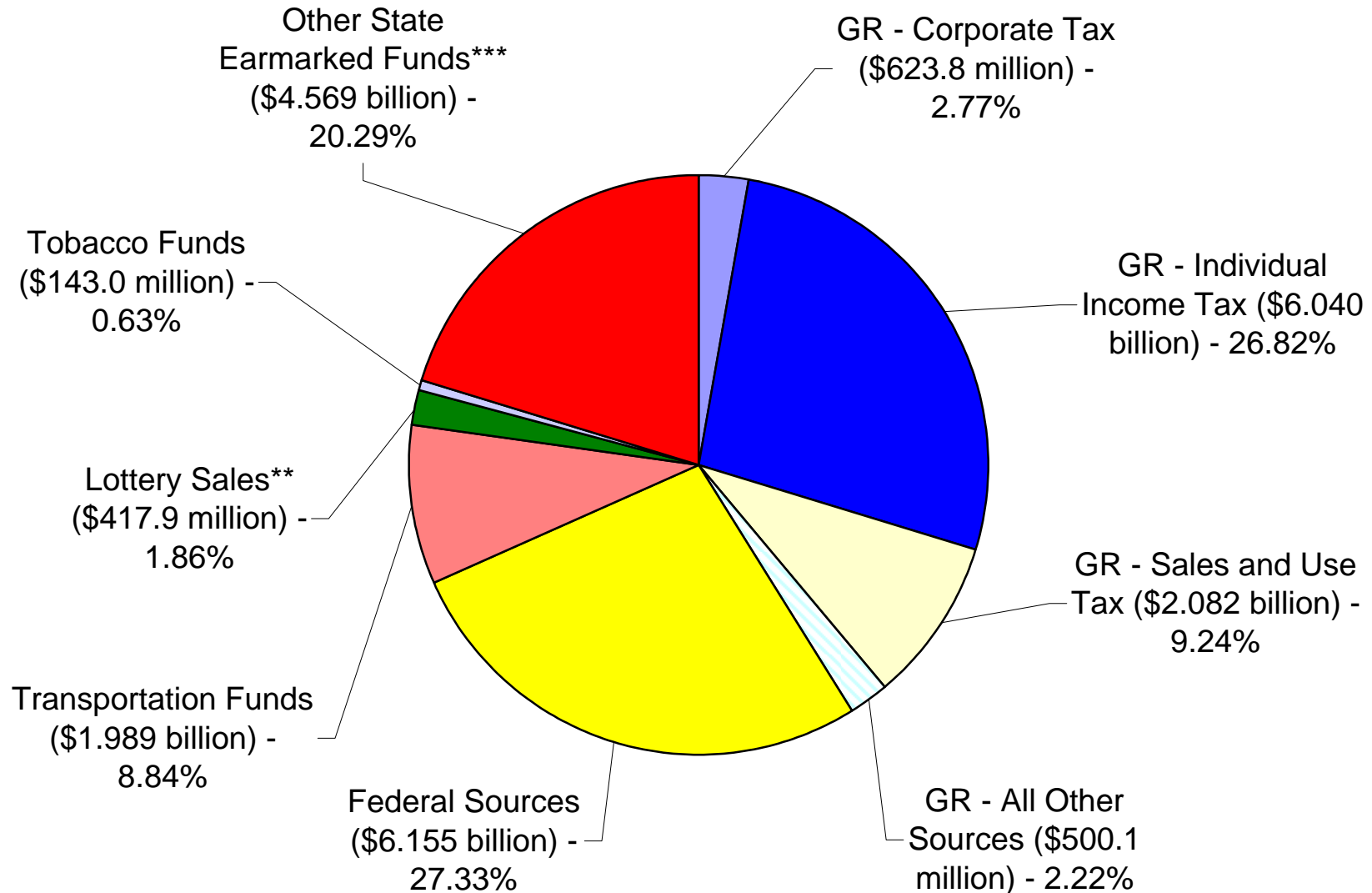


*Gross Collections does not include refunds of \$1.3 billion

**All Other Sources: interest, county foreign insurance, federal reimbursements, etc.

FY 2008 All Revenues*

Estimate: \$22.520 Billion



*Gross Collections does not include \$1.3 billion in GR refunds

**Lottery Sales does not include lottery prizes (off budget)

***Other State Earmarked Funds: Stormwater Control Bonds, Conservation Funds, Gaming Funds etc.

DISTRIBUTION OF EACH TAX DOLLAR

FY 2008 AFTER VETO MISSOURI OPERATING BUDGET

All Funds: \$21.488 Billion

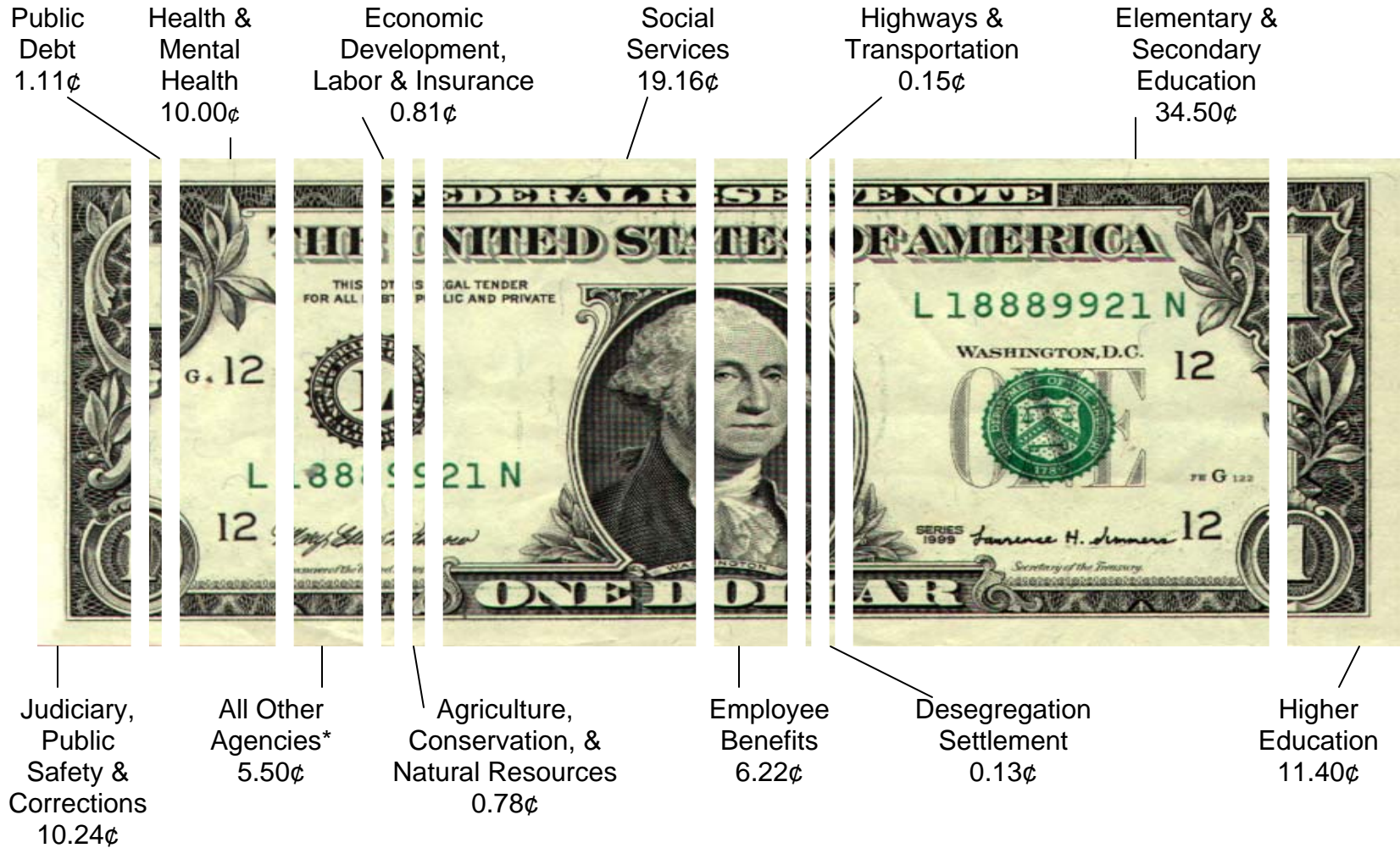


* Revenue, Office of Administration, Elected Officials, General Assembly, Real Estate

DISTRIBUTION OF EACH TAX DOLLAR

FY 2008 AFTER VETO MISSOURI OPERATING BUDGET

General Revenue: \$8.213 Billion



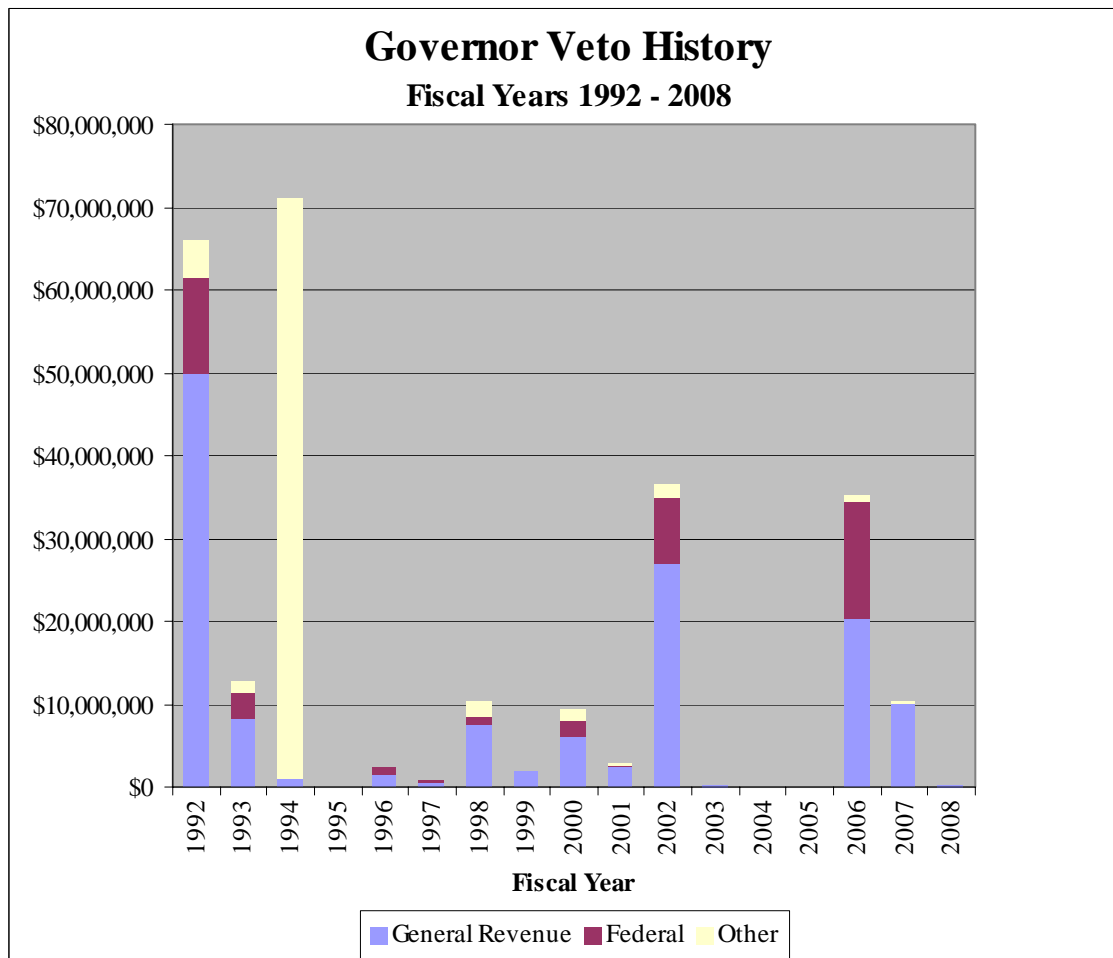
* Revenue, Office of Administration, Elected Officials , General Assembly, Real Estate

SUMMARY OF GOVERNOR'S VETOES
FY 2008 OPERATING BUDGET,
STATEWIDE REAL ESTATE, MAINTENANCE & REPAIR, & REAPPROPRIATIONS

| <u>House Bill</u> | <u>Department</u> | <u>Section</u> | <u>Amount Vetoed</u> | <u>FTE</u> | <u>Fund</u> | <u>Remarks</u> |
|-------------------|-------------------|----------------|----------------------|------------|-------------|---|
| 9 | Corrections | 9.210 | | | | Vetoed the words "Personal Service" on line 4. A drafting error left the words in the TAFP version. |
| 12 | Public Defender | 12.400 | \$155,760 | | GR | For the purpose of funding parking expenses for some public defenders. |

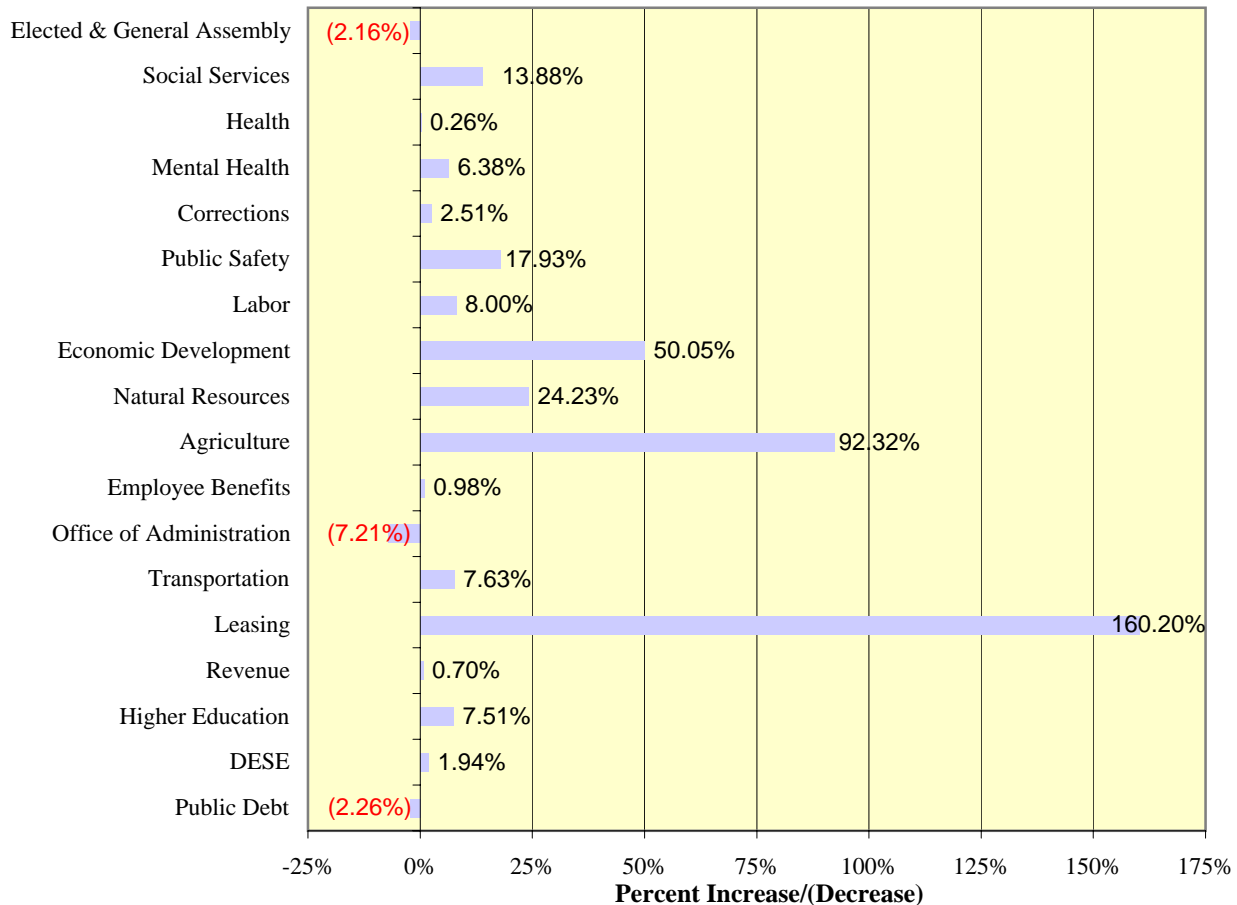
TOTAL FY 2008 VETOES

| | |
|-------------------------------|------------------|
| General Revenue Fund | \$155,760 |
| Federal Funds | 0 |
| Other State Funds | <u>0</u> |
| Total of FY 2008 Vetoes (FTE) | \$155,760 (0) |



FY 2007 Actual vs. FY 2008 GR Appropriation

| Department/Agency | FY 2007 Actual | FY 2008 | Difference | % Change |
|-----------------------------|----------------------|----------------------|--------------------|--------------|
| Public Debt | \$ 93,583,360 | \$ 91,464,696 | \$ (2,118,664) | -2.26% |
| DESE | 2,790,215,650 | 2,844,383,545 | 54,167,895 | 1.94% |
| Higher Education | 871,081,458 | 936,476,532 | 65,395,074 | 7.51% |
| Revenue | 87,807,232 | 88,418,233 | 611,001 | 0.70% |
| Leasing | 40,810,895 | 106,190,419 | 65,379,524 | 160.20% |
| Transportation | 11,668,541 | 12,559,321 | 890,780 | 7.63% |
| Office of Administration | 188,554,486 | 174,967,305 | (13,587,181) | -7.21% |
| Employee Benefits | 506,122,241 | 511,060,457 | 4,938,216 | 0.98% |
| Agriculture | 26,835,405 | 51,609,757 | 24,774,352 | 92.32% |
| Natural Resources | 9,734,552 | 12,093,469 | 2,358,917 | 24.23% |
| Economic Development | 42,824,008 | 64,257,953 | 21,433,945 | 50.05% |
| Labor | 2,354,887 | 2,543,177 | 188,290 | 8.00% |
| Public Safety | 63,648,693 | 75,062,497 | 11,413,804 | 17.93% |
| Corrections | 555,309,382 | 569,234,250 | 13,924,868 | 2.51% |
| Mental Health | 554,971,665 | 590,355,650 | 35,383,985 | 6.38% |
| Health | 229,934,701 | 230,529,204 | 594,503 | 0.26% |
| Social Services | 1,381,363,389 | 1,573,140,417 | 191,777,028 | 13.88% |
| Elected & General Assembly | 83,554,020 | 81,750,515 | (1,803,505) | -2.16% |
| Judiciary & Public Defender | 186,149,631 | 196,810,242 | 10,660,611 | 5.73% |
| TOTALS | 7,726,524,196 | 8,212,907,639 | 486,383,443 | 6.29% |



Section II

FISCAL YEAR 2008 DEPARTMENTAL BUDGET INFORMATION

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 1 – PUBLIC DEBT

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$91,358,692 | \$91,464,696 | 0.1% |
| FED | 0 | 0 | 0.0% |
| OTHER | <u>6,287,634</u> | <u>6,155,798</u> | <u>(2.1%)</u> |
| TOTAL | <u>\$97,646,326</u> | <u>\$97,620,494</u> | <u>(7.8%)</u> |

- Water Pollution Control Bonds-protection of the environment through the control of water pollution
- Third State Building Bonds-provides funds for improvements of State buildings and property
- Fourth State Building Bonds-provides funds for improvements of buildings and property of higher education institutions, the Department of Corrections and the Division of Youth Services
- Stormwater Control Bonds-protection of the environment through the control of stormwaters

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 2 – DEPT. OF ELEMENTARY AND SECONDARY EDUCATION

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$2,739,824,155 | \$2,844,383,545 | 3.8% |
| FED | 939,524,896 | 956,462,095 | 1.8% |
| OTHER | <u>1,337,181,733</u> | <u>1,418,575,339</u> | <u>6.1%</u> |
| TOTAL | \$5,016,530,784 | \$5,219,420,979 | 4.0% |
| F.T.E. | 1,842.46 | 1,831.71 | (0.6%) |

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|--|----------------------------------|-------------------------------|------------------------------|
| Gen. Administration | \$230,195,121 | \$241,867,423 | 5.1% |
| Public School Aid | 3,874,029,809 | 4,047,045,231 | 4.5% |
| School Imp./Teacher Quality/Urban Ed. | 381,224,445 | 388,019,344 | 1.8% |
| Voc. Rehabilitation | 102,306,358 | 103,154,592 | 0.8% |
| Voc. & Adult Ed. | 75,303,734 | 76,390,932 | 1.4% |
| Special Education | 296,924,329 | 308,154,883 | 3.8% |
| Board Operated Sch. | 51,848,746 | 50,047,299 | (3.5%) |
| Comm. for the Deaf | 431,277 | 460,414 | 6.8% |
| MO Assistive Tech. | 4,256,956 | 4,270,861 | 0.3% |
| Child. Serv. Comm. | <u>10,000</u> | <u>10,000</u> | <u>0.0%</u> |
| TOTAL | \$5,016,530,784 | \$5,219,420,979 | 4.0% |

Major Changes

| | |
|---------------|---|
| \$2,104,115 | Provides for a 3% cost of living increase for state employees (all funds) |
| \$132,602,796 | Provides increase for year 2 phase in of the new Foundation Formula |
| \$15,000,000 | Provides for continued funding of the Small Schools Grant program |
| \$5,130,000 | Provides for the Transportation categorical |
| \$182,626 | Provides an increase to the Career Ladder categorical |
| \$2,000,000 | Provides an increase to the Parents as Teachers categorical |
| \$5,200,000 | Provides initial funding for the Virtual School Program (lottery) |
| \$12,519,977 | Provides an increase for the school food program |
| \$3,628,507 | Provides an increase for the A+ Program |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 2 – DEPT. OF ELEMENTARY AND SECONDARY EDUCATION

Major Changes (continued)

| | |
|-------------|---|
| \$250,000 | Provides an increase for Advanced Placement tests for mathematics and science (lottery) |
| \$2,924,700 | Provides new funding for 100 new eMints technology classrooms (lottery) |
| \$339,349 | Provides an increase to the Vocational Rehabilitation Grant |
| \$560,000 | Provides an increase to the Independent Living Centers |
| \$1,000,000 | Provides new funding for after school programs in mathematics/science and health/wellness (lottery) |
| \$5,000,000 | Provides an increase for special education (Federal funds) |
| \$6,030,000 | Provides increased funding for Special Education Excess Costs fund |
| \$80,000 | Provides for one additional blindness skills specialist |
| \$50,000 | Provides for an increase for the Special Olympics |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 3 – HIGHER EDUCATION

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|--------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$879,356,731 | \$936,476,532 | 6.5% |
| FED | 6,468,111 | 6,482,693 | 0.2% |
| OTHER | <u>182,792,028</u> | <u>232,101,090</u> | <u>27.0%</u> |
| TOTAL | \$1,068,616,870 | \$1,175,060,315 | 10.0% |
| F.T.E. | 75.92 | 75.67 | (0.3%) |

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|----------------------------------|----------------------------------|-------------------------------|------------------------------|
| High. Ed Coordination | \$712,386 | \$731,777 | 2.7% |
| Proprietary School Reg. | 228,606 | 231,741 | 1.4% |
| Midwest Higher Ed. Commission | 90,000 | 90,000 | 0.0% |
| Federal Ed. Programs | 3,778,746 | 3,780,557 | 0.1% |
| Financial Aid | 141,779,339 | 202,721,966 | 43.0% |
| Community Coll. | 136,029,827 | 142,123,963 | 4.5% |
| Technical Coll. | 4,634,133 | 4,926,265 | 6.3% |
| 4yr Coll. & Univ. | 736,576,881 | 771,416,449 | 4.7% |
| UM-Related Programs | <u>44,786,952</u> | <u>49,037,597</u> | <u>9.5%</u> |
| TOTAL | \$1,068,616,870 | \$1,175,060,315 | 10.0% |

Major Changes

| | |
|--------------|--|
| \$91,526 | Provides for a 3% cost of living increase for state employees (all funds) |
| \$372,000 | Provides an increase to the “Bright Flight” program |
| \$13,333,333 | Provides an increase to the Charles E. Gallagher Program (lottery) |
| \$6,666,667 | Provides an increase to the Missouri College Guarantee Scholarship Program |
| \$5,713,253 | Provides a 4-5% increase for Community Colleges |
| \$32,371,700 | Provides a 4-5% increase to Linn State and the Four-Year Universities |
| \$900,000 | Provides additional funding for Lincoln University for federal land grant matching program |
| \$100,000 | Provides an increase for the Missouri Ethics Institute at UMSL |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 3 – HIGHER EDUCATION

Major Changes (continued)

| | |
|-------------|--|
| \$2,500,000 | Provides an increase for MOREnet |
| \$420,000 | Provides for the Missouri Telehealth Network |
| \$1,250,000 | Provides an increase to the Missouri Rehabilitation Center |
| \$500,000 | Provides an increase to the State Historical Society |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 4 – DEPT. OF TRANSPORTATION

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$11,859,321 | \$12,559,321 | 5.9% |
| FED | 53,751,383 | 59,729,150 | 11.1% |
| OTHER | <u>2,555,849,644</u> | <u>2,161,235,280</u> | <u>(15.4%)</u> |
| TOTAL | \$2,621,460,348 | \$2,233,523,751 | (14.8%) |

| | | | |
|--------|----------|----------|------|
| F.T.E. | 7,005.95 | 7,005.95 | 0.0% |
|--------|----------|----------|------|

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------------------|----------------------------------|-------------------------------|------------------------------|
| Administration | \$27,768,932 | \$28,404,157 | 2.3% |
| Fringe Benefits | 148,005,954 | 150,675,516 | 1.8% |
| Fleet, Facilities, & IT | 103,358,870 | 103,815,605 | 0.4% |
| System Management | 352,296,810 | 359,225,787 | 2.0% |
| Construction | 1,932,398,972 | 1,527,456,441 | (21.0%) |
| Multimodal | <u>57,630,810</u> | <u>63,946,245</u> | <u>11.0%</u> |
| TOTAL | \$2,621,460,348 | \$2,233,523,751 | (14.8%) |

Major Changes

| | |
|-----------------|---|
| \$8,245,572 | Provides funding for a 3% COLA for all state employees |
| \$403,000,000 | Increase to the Construction program from bond proceeds |
| \$16,046,000 | Additional funding needed to cover the increased debt service on bonds outstanding |
| \$5,700,000 | Increase funding for Transportation Enhancements such as sidewalks, bike lanes, landscaping, etc. |
| \$800,000 | Provides General Revenue funding for increased costs associated with Amtrak |
| \$150,000 | Provides General Revenue funding to replace lost federal transit funding for Springfield |
| (\$381,999,999) | Reduction for bond proceeds expended in FY07 |
| (\$446,000,000) | Reduction to better reflect expected Construction expenditures |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 5 – OFFICE OF ADMINISTRATION

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$170,700,804 | \$174,967,305 | 2.5% |
| FED | 76,306,928 | 74,978,156 | (1.7%) |
| OTHER | <u>28,871,430</u> | <u>37,110,668</u> | <u>28.5%</u> |
| TOTAL | \$275,879,162 | \$287,056,129 | 4.1% |
| F.T.E. | 1,833.05 | 2,114.46 | 15.4% |

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|------------------------|----------------------------------|-------------------------------|------------------------------|
| Commissioner's Office | \$1,291,299 | \$1,388,698 | 7.5% |
| Accounting | 2,280,247 | 2,399,032 | 5.2% |
| Budget & Planning | 1,768,801 | 1,821,317 | 3.0% |
| Information Services | 150,454,522 | 156,197,630 | 3.8% |
| Personnel | 2,326,838 | 2,499,504 | 7.4% |
| Purchasing & Mat. Mgt. | 4,111,687 | 4,204,890 | 2.3% |
| Facilities Management* | 25,000 | 25,000 | 0.0% |
| General Services | 7,737,648 | 8,995,205 | 16.3% |
| Assigned Programs | 6,307,897 | 6,374,984 | 1.1% |
| Debt & Related Oblig. | 88,000,895 | 95,404,863 | 8.4% |
| Admin. Disbursements | <u>11,574,328</u> | <u>7,745,006</u> | <u>(33.1%)</u> |
| TOTAL | \$275,879,162 | \$287,056,129 | 4.1% |

*The operating costs for the Division of Facilities Management are counted in the Real Estate Services Budget (HB 13).

Major Changes

| | |
|--------------|---|
| \$2,671,777 | Provides for a 3% COLA for all state employees |
| \$10,519,915 | Provides funding for new IT projects including: Veteran's Commission software (\$53,880), DHSS Laboratory Information Management System (\$850,000) and first year costs of system/network upgrades for Dept. of Corrections (\$1,650,000), Dept. of Revenue (\$7,169,915), and Workers' Compensation (\$850,000) |
| \$60,824,770 | Consolidates operational expenses of institutional facilities including fuel and utilities, service contracts; and facility management costs |
| \$7,190,188 | Consolidates mail service operations for executive branch agencies (except Depts. of Revenue, Social Services, Conservation, Transportation) |
| \$1,200,000 | Replaces 338 high-mileage vehicles in state fleet |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 5 – OFFICE OF ADMINISTRATION

Major Changes (continued)

| | |
|---------------|---|
| \$7,400,236 | Increases debt service payments on Board of Public Buildings debt due to payments for new women's prison in Chillicothe |
| (\$7,506,743) | Reduces transfer to GR from tobacco settlement proceeds due to lower settlement receipts |
| \$100,000 | Increases funding for Regional Planning Commissions (\$300,000 total) |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 5 – EMPLOYEE BENEFITS

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$510,411,801 | \$511,060,457 | 0.1% |
| FED | 160,837,877 | 158,710,521 | (1.3%) |
| OTHER | <u>144,728,612</u> | <u>148,231,944</u> | <u>2.4%</u> |
| TOTAL | \$815,978,290 | \$818,002,922 | 0.3% |

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-----------------------|----------------------------------|-------------------------------|------------------------------|
| OASDHI | \$157,384,530 | \$160,981,795 | 2.3% |
| State Emp. Retirement | 255,789,595 | 265,487,908 | 3.8% |
| Teacher Retirement | 3,540,560 | 3,540,560 | 0.0% |
| Deferred Comp. | 11,568,885 | 11,996,571 | 3.7% |
| Unemploy. Benefits | 4,039,608 | 4,039,458 | (0.0%) |
| Health Insurance | 360,579,587 | 349,456,848 | (3.1%) |
| Workers' Comp. | 22,213,523 | 21,638,780 | (2.6%) |
| Other | <u>862,002</u> | <u>862,002</u> | <u>0.0%</u> |
| TOTAL | \$815,978,290 | \$818,002,922 | 0.3% |

Major Changes

| | |
|----------------|--|
| \$3,597,265 | Provides for increased Social Security tax costs |
| \$9,698,313 | Provides for increased costs to provide retirement benefits |
| \$427,686 | Provides for increased deferred compensation costs |
| (\$28,004,027) | Reduces state payments to Missouri Consolidated Health Care Plan to use plan reserves for partial cost of health care benefits |
| \$15,022,657 | Provides for pre-funding of retiree health care costs begin in response to changes in accounting reporting rules |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 6 – DEPT. OF AGRICULTURE

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$22,832,655 | \$51,609,757 | 126.0% |
| FED | 4,933,906 | 4,522,577 | (8.3%) |
| OTHER | <u>14,925,244</u> | <u>14,779,969</u> | <u>(0.1%)</u> |
| TOTAL | \$42,691,805 | \$70,912,303 | 66.1% |
| | | | |
| F.T.E. | 413.30 | 401.80 | (2.8%) |

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|---------------------------|----------------------------------|-------------------------------|------------------------------|
| Office of Director | \$16,665,242 | \$44,486,042 | 167.0% |
| Agribusiness Dev. Div. | 4,848,060 | 4,873,075 | 0.5% |
| Animal Health | 4,941,432 | 5,015,035 | 1.5% |
| Grain Insp. & Warehousing | 2,958,459 | 2,836,871 | (4.1%) |
| Plant Industries | 3,290,776 | 3,421,385 | 4.0% |
| Weights & Measures | 3,551,231 | 3,742,924 | 5.4% |
| Missouri State Fair | 4,855,119 | 4,944,734 | 1.8% |
| State Milk Board | <u>1,581,486</u> | <u>1,592,237</u> | <u>0.7%</u> |
| TOTAL | \$42,691,805 | \$70,912,303 | 66.1% |

Major Changes

| | |
|--------------|--|
| \$405,828 | Provides for a 3% COLA to all state employees |
| \$6,407,200 | Provides for additional Ethanol subsidies (\$15 million total) |
| \$21,525,000 | Provides for additional General Revenue Biodiesel subsidies (\$26,775,000 total) |
| \$400,000 | Provides General Revenue for Adult Agriculture Education program |
| \$85,300 | Provides General Revenue for additional Missouri Agricultural Small Business Development Authority program manager |
| \$58,622 | Provides General Revenue for 1.00 FTE Missouri Brand and Account Manager |
| \$9,000 | Provides General Revenue for international marketing efforts in Vietnam |
| \$50,000 | Provides General Revenue funding for the Gypsy Moth survey program |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 6 – DEPT. OF AGRICULTURE

Major Changes (continued)

| | |
|-------------|---|
| \$108,100 | Provides General Revenue and Federal funding to add 2.00 FTE state meat inspectors to bring to 10 the total number of inspectors in our State Meat and Poultry Inspection Program |
| \$198,000 | Provides General Revenue funding to continue cattle disease control efforts with animal identifiers and updating markets with electronic software and hardware |
| \$80,000 | Provides General Revenue for the department's laboratory equipment replacement |
| \$286,563 | Provides General Revenue to replace 2 large scale inspection vehicles in the Division of Weights and Measures |
| (\$216,699) | Provides for a reduction in Federal authority and 2.50 FTE in the Division of Animal Health for grant funding associated with the National Animal Identification System |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 6 – DEPT. OF NATURAL RESOURCES

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$10,047,582 | \$12,093,469 | 20.4% |
| FED | 42,796,822 | 43,242,217 | 1.0% |
| OTHER | <u>270,789,147</u> | <u>271,917,009</u> | <u>0.4%</u> |
| TOTAL | \$323,633,551 | \$327,252,695 | 1.1% |

F.T.E. 1,835.44 1,828.94 (0.4%)

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|------------------------|----------------------------------|-------------------------------|------------------------------|
| Department Operations | \$5,701,454 | \$5,855,241 | 2.7% |
| Energy Center | 9,610,391 | 9,642,734 | 0.3% |
| Environmental Programs | 234,491,817 | 236,542,362 | 0.9% |
| Geology & Land Survey | 3,525,531 | 3,604,254 | 2.2% |
| Parks | 36,042,170 | 36,542,544 | 1.4% |
| Historic Preservation | 2,748,891 | 3,517,843 | 28.0% |
| Agency-Wide Implement. | 31,513,296 | 31,547,716 | 0.1% |
| EIERA | <u>1</u> | <u>1</u> | <u>0.0%</u> |
| TOTAL | \$323,633,551 | \$327,252,695 | 1.1% |

Major Changes

- \$1,999,692 Provides for a 3% COLA for all state employees
- \$1,122,463 Provides for a GR fund shift replacing Hazardous Waste Fee Funds for 20.00 FTE and associated expense and equipment in the Field Services Division
- \$543,134 Provides for additional 8% health and retirement benefits to Soil & Water Conservation District employees from Soil & Water Sales Tax
- \$750,000 Provides for additional General Revenue transferred to the Historic Preservation Revolving Fund as part of the Athlete and Entertainer's Tax (\$1,300,000 total)
- \$460,213 Provides for additional water and wastewater sampling costs

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 6 – DEPT. OF CONSERVATION

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$0 | \$0 | 0% |
| FED | 0 | 0 | 0% |
| OTHER | <u>\$141,048,873</u> | <u>\$143,254,143</u> | <u>1.56%</u> |
| TOTAL | \$141,048,873 | \$143,254,143 | 1.56% |
| F.T.E. | 1,871.61 | 1,871.61 | 0% |

Major Changes

\$2,205,270 Provides for a 3% COLA to all state employees

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 7 – DEPT. OF ECONOMIC DEVELOPMENT

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$43,885,380 | \$64,257,953 | 46.4% |
| FED | 158,714,384 | 169,435,600 | 6.8% |
| OTHER | <u>79,507,863</u> | <u>71,665,950</u> | <u>(9.9%)</u> |
| TOTAL | \$282,107,627 | \$305,359,503 | 8.2% |
| F.T.E. | 1,326.37 | 983.87 | (25.8%) |

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|----------------------------|----------------------------------|-------------------------------|------------------------------|
| Bus. & Com. Services | \$85,434,753 | \$111,802,179 | 30.9% |
| Art & Humanities | 6,064,056 | 12,122,347 | 99.9% |
| Workforce Development | 123,355,449 | 133,920,302 | 8.6% |
| Tourism | 17,782,811 | 20,674,810 | 16.3% |
| Affordable Housing | 4,924,829 | 4,958,650 | 0.7% |
| Utility Regulation | 18,061,350 | 18,499,584 | 2.4% |
| Financial Institutions* | 7,350,126 | 0 | (100.0%) |
| Professional Registration* | 13,642,286 | 0 | (100.0%) |
| Administrative Support | <u>5,491,967</u> | <u>3,381,631</u> | <u>(38.4%)</u> |
| TOTAL | \$282,107,627 | \$305,359,503 | 8.2% |

*Per Executive Order 06-04, the Divisions of Finance, Credit Unions, and Professional Registration were transferred to the reorganized Dept. of Insurance, Financial Institutions, and Professional Registration.

Major Changes

- \$1,222,885 Provides for a 3% COLA for all state employees
- (\$21,416,056) Transfers the Divisions of Finance, Credit Unions, and Professional Registration to Dept. of Insurance for new Dept. of Insurance, Financial Institutions, and Professional Registration
- \$13,455,465 Provides funding for the Life Sciences Research Board to be used for plant and/or animal science projects to increase the research capacity of the state
- \$600,000 Increases funding for innovation centers including additional money for five existing centers – Rolla (\$25,000), Cape Girardeau (\$25,000), St. Louis (\$200,000), Joplin (\$100,000), and Columbia (\$100,000) – and one new center in Warrensburg (\$150,000)

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 7 – DEPT. OF ECONOMIC DEVELOPMENT

Major Changes (continued)

| | |
|-------------|--|
| \$4,996,128 | Provides for increases in projected increment created through state tax increment financing projects; also lists three new projects: Brush Creek, Bannister Mall/Three Trails, and Antioch |
| \$2,741,000 | Provides payment of new increment created through the Missouri Downtown Economic Stimulus Act (MODESA) |
| \$3,500,000 | Increases funding for the Missouri Job Development program which provides training incentives to employers for new and/or retained jobs |
| \$4,500,000 | Provides for additional General Revenue transferred to the Missouri Cultural Trust Fund as part of the Athlete and Entertainer's Tax (\$7,800,000 total transfer) |
| \$750,000 | Provides for additional General Revenue transferred to the Missouri Humanities Trust Fund as part of the Athlete and Entertainer's Tax (\$1,300,000 total transfer) |
| \$750,000 | Provides for additional General Revenue transferred to the Public Broadcasting Special Fund as part of the Athlete and Entertainer's Tax (\$1,300,000 total transfer) |
| \$2,891,999 | Increases GR transfer to Tourism Supplemental Revenue fund and corresponding increase in expenditure authority for Division of Tourism |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 7 – DEPT. OF LABOR & INDUSTRIAL RELATIONS

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$2,462,141 | \$2,543,177 | 3.3% |
| FED | 55,793,665 | 52,912,523 | (5.4%) |
| OTHER | <u>95,166,771</u> | <u>90,145,653</u> | <u>(5.3%)</u> |
| TOTAL | \$153,422,577 | \$145,601,353 | (5.1%) |
| F.T.E. | 1,049.91 | 958.41 | (8.7%) |

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------------------|----------------------------------|-------------------------------|------------------------------|
| Dept. Administration | \$12,871,435 | \$11,800,537 | (8.3%) |
| Labor & Ind. Rel. Comm. | 986,238 | 1,011,399 | 2.6% |
| Labor Standards | 2,823,853 | 3,135,658 | 11.0% |
| Workers' Compensation | 79,606,643 | 79,680,254 | 0.1% |
| Employment Security | 55,474,470 | 48,268,822 | (13.0%) |
| Human Rights Comm. | <u>1,659,938</u> | <u>1,704,683</u> | <u>2.7%</u> |
| TOTAL | \$153,422,577 | 145,601,353 | (5.1%) |

Major Changes

| | |
|-------------|---|
| \$1,111,312 | Provides for a 3% COLA for all state employees |
| \$53,089 | Provides for purchase of four vehicles to replace older cars in DOLIR fleet |
| \$29,047 | Switches funding source from Federal to GR within the Div. of Labor Standards to hire manager that can inspect public and private buildings |
| \$1,354,764 | Funds War on Terror Unemployment Compensation program pertaining to veteran employment rights and benefits |
| \$375,879 | Increases compensation for administrative law judges, chief legal counsel, and division director pursuant to Section 287.615 RSMo |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

**HB 7 – DEPT. OF INSURANCE, FINANCIAL INSTITUTIONS
& PROFESSIONAL REGISTRATION**

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$0 | \$0 | 0.0% |
| FED | 600,000 | 600,000 | 0.0% |
| OTHER | <u>13,038,692</u> | <u>35,033,466</u> | <u>168.7%</u> |
| TOTAL | \$13,638,692 | \$35,633,466 | 161.3% |
| F.T.E. | 202.50 | 527.65 | 160.6% |

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|------------------------|----------------------------------|-------------------------------|------------------------------|
| Administration | \$5,558,972 | \$5,961,657 | 7.2% |
| Insurance Exams | 7,279,720 | 7,441,258 | 2.2% |
| Health Ins. Counseling | 800,000 | 800,000 | 0.0% |
| Div. of Credit Unions* | 0 | 1,235,154 | NA |
| Div. of Finance* | 0 | 6,305,277 | NA |
| Prof. Registration* | <u>0</u> | <u>13,890,120</u> | <u>NA</u> |
| TOTAL | \$13,638,692 | \$35,633,466 | 161.3% |

*The Divisions of Credit Unions, Finance, and Professional Registration moved from the Department of Economic Development to the newly formed Department of Insurance, Financial Institutions, and Professional Registration per Executive Order 06-04. The divisions FY 2008 After Veto amounts represent increases over their FY 2007 Appropriations in the amounts of 2.6%, 2.6%, and 1.8% respectively.

Major Changes

- \$738,585 Provides for a 3% COLA for all state employees

- \$21,416,056 Transfers in the Divisions of Finance, Credit Unions, and Professional Registration from the Dept. of Economic Development to create the new Dept. of Insurance, Financial Institutions & Professional Registration

- \$65,101 Provides for implementation of HB 1837 which requires the department to provide greater oversight in the review of medical malpractice insurance rates.

MAJOR OPERATING BUDGET ISSUES FOR FY 2008

HB 8 – DEPT. OF PUBLIC SAFETY

Major Changes (continued)

| | |
|---------------|---|
| \$2,857,243 | Provides funding to staff 150 beds in Veteran’s homes. |
| \$543,721 | Provides funding for the Missouri Vietnam War Veteran Recognition program. |
| (\$7,475,192) | Provides for the transfer of fuel and utility funds, personal service and expense and equipment funds to HB 13 Real Estate for institutional consolidation. |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 9 – DEPT. OF CORRECTIONS

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|------------------------|----------------------------------|----------------------------------|------------------------------|
| GR | \$582,836,642 | \$569,234,250 | (2.3%) |
| FED | 7,384,759 | 7,468,169 | 1.1% |
| OTHER | <u>47,134,270</u> | <u>47,396,485</u> | <u>.6%</u> |
| TOTAL | \$638,347,220 | \$624,098,904 | (2.2%) |
| | | | |
| F.T.E. | 11,270.23 | 11,082.33 | (1.7%) |
| | | | |
| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 Appropriation</u> | <u>Percentage Change</u> |
| Office of the Director | \$117,605,063 | \$83,408,123 | (29.1%) |
| Human Resources | 11,890,990 | 11,789,463 | (.8%) |
| Adult Institutions | 270,593,242 | 269,890,916 | (.25%) |
| Offender Rehab Svs | 159,633,347 | 171,798,803 | 7.6% |
| Probation & Parole | <u>78,624,578</u> | <u>87,211,599</u> | <u>10.9%</u> |
| TOTAL | \$638,347,220 | \$624,098,904 | (2.2%) |

Major Changes

| | |
|--------------|---|
| \$10,429,194 | Provides for a 3% COLA for all state employees. |
| \$1,026,630 | Provides funding for replacement of custody staff uniforms. |
| \$9,643,996 | Provides funding for increased costs for inmate health care contract. |
| \$800,000 | Provides funding to convert 300 general population beds at Maryville Treatment Center to treatment beds. |
| \$2,067,809 | Provides for the startup funding of Community Supervision Centers in Fulton, Kansas City, and Poplar Bluff and full year funding for Hannibal and Kennett. |
| \$1,875,000 | Provides for a rate increase to \$21.25 for the reimbursement to counties for cost of criminal cases. |
| \$1,840,556 | Provides funding for an additional 110 residential facility beds in St. Louis, Kansas City, and Springfield. |
| \$832,324 | Provides funding for indigent sex offender polygraph tests, mental health assistance to those on community supervision, victim impact classes, and identification for indigent offenders. |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 9 – DEPT. OF CORRECTIONS

Major Changes (continued)

| | |
|----------------|---|
| (\$42,249,613) | Provides for the transfer of fuel and utility funds, personal service and expense and equipment funds to HB 13 Real Estate for institutional consolidation. |
|----------------|---|

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 10 – DEPT. OF MENTAL HEALTH

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$554,004,413 | \$590,355,650 | 6.6% |
| FED | 451,928,567 | 482,058,417 | 6.7% |
| OTHER | <u>39,079,337</u> | <u>38,160,615</u> | <u>(2.4%)</u> |
| TOTAL | \$1,045,012,317 | \$1,110,574,682 | 6.3% |
| F.T.E. | 8,826.27 | 8,826.22 | 0.0% |

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|------------------------|----------------------------------|-------------------------------|------------------------------|
| Office of the Director | \$57,280,650 | \$51,869,871 | (9.4%) |
| Alcohol & Drug Abuse | 103,099,842 | 110,007,946 | 6.7% |
| CPS | 378,534,197 | 403,489,269 | 6.6% |
| MR/DD | <u>506,097,628</u> | <u>545,207,596</u> | <u>7.7%</u> |
| TOTAL | \$1,045,012,317 | \$1,110,574,682 | 6.3% |

Major Changes

| | |
|--------------|--|
| \$8,231,989 | Provides for a 3% COLA for all state employees |
| \$1,903,356 | Provides for a 3% additional salary adjustment for direct care staff |
| \$1,284,374 | Provides funding for 24.00 FTE and contract E&E to staff Bellefontaine at the 172-client level |
| \$4,848,003 | Provides funding for the new Medical Assistance for Working Disabled – MAWD (\$1,831,576 GR, \$3,016,427 FED) |
| \$1,697,185 | Provides additional General Revenue funding for the MRDD Personal Service and E&E pool to assist Habilitation Centers in meeting personnel standards |
| \$11,425,428 | Provides funding for a 4.0% provider rate increase for ADA (\$2,772,436 GR, \$925,712 FED & Other) and CPS providers (\$4,584,040 GR, \$3,143,240 FED) |
| \$7,790,330 | Provides funding for a 2.0% provider rate increase for MRDD providers (\$2,821,312 GR, \$4,969,018 FED & Other) |
| \$1,000,000 | Provides funding for adolescent co-occurring disorder treatment in ADA (\$544,535 GR, \$455,465 FED) |
| \$3,900,000 | Provides for additional General Revenue autism funding for the waitlist, services and an intensive day treatment pilot program |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 10 – DEPT. OF MENTAL HEALTH

Major Changes (continued)

| | |
|----------------|---|
| \$3,705,664 | Provides funding for an additional 40 case managers operated out of SB 40 Boards to reduce caseload ratios in MRDD (\$1,400,000 GR, \$2,305,664 FED) |
| \$15,977,695 | Provides funding for a reduction in the MRDD waitlist, taking off the 12s, 11s and allowing the department to keep many clients from moving into the more emergency level of the waitlist (\$6,887,519 GR, \$9,090,176 FED) |
| \$4,800,000 | Provides funding for assertive community treatment of psychiatric clients (\$1,813,440 GR, \$2,986,560 FED) |
| \$750,000 | Provides for collaboration between FQHCs and community mental health centers at 7 pilot sites statewide |
| \$600,000 | Provides for the start of accreditation process for Habilitation Centers and private facilities in MRDD (\$300,000 GR, \$300,000 FED) |
| (\$11,575,539) | Provides for the transfer of fuel and utility funds, personal service and expense and equipment funds to HB 13 Real Estate for institutional consolidation. |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 10 – DEPT. OF HEALTH AND SENIOR SERVICES

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|--------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$228,301,096 | \$230,529,204 | 2.0% |
| FED | 567,288,385 | 571,858,282 | 0.7% |
| OTHER | <u>28,679,585</u> | <u>27,241,392</u> | <u>(5.0%)</u> |
| TOTAL | \$822,356,566 | \$829,628,878 | 0.9% |
| F.T.E. | 1,959.61 | 1,923.95 | (1.8%) |

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------------------|----------------------------------|-------------------------------|------------------------------|
| Office of the Director | \$19,771,890 | \$19,427,373 | (1.7%) |
| State Health Lab | 8,252,426 | 9,780,556 | 18.5% |
| Ctr Emergency Resp/Ter | 23,675,343 | 23,765,217 | .3% |
| Comm & Public Health | 266,571,113 | 267,605,757 | .4% |
| Senior & Disability Svs | 474,946,112 | 480,480,227 | 1.2% |
| Regulation & Licensure | <u>29,139,682</u> | <u>28,569,748</u> | <u>(1.9%)</u> |
| TOTAL | \$822,356,566 | \$829,628,878 | 0.9% |

Major Changes

| | |
|--------------|--|
| \$2,219,252 | Provides for a 3% COLA for all state employees |
| \$1,690,099 | Provides for additional State Public Health Lab authority to cover inflationary costs, cystic fibrosis and other screening costs, and to replace federal authority |
| \$235,000 | Provides funding for an existing umbilical cord blood bank |
| \$300,000 | Provides funding for expanded contracts for SAFE CARE training |
| \$200,000 | Provides funding for a tobacco media literacy campaign targeted at youth |
| \$250,000 | Provides funding for additional General Revenue to cover forensic rape exams |
| \$500,000 | Provides funding for additional GR for the Show Me Healthy Women program |
| \$32,100 | Provides funding for the farmer markets WIC program |
| \$960,000 | Provides additional General Revenue funding for the Alternatives to Abortion program (\$1,699,512 total) |
| \$11,988,375 | Provides funding for an in-home provider rate increase at \$0.48/hr (\$4,725,312 GR, \$7,263,063 FED) |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 10 – DEPT. OF HEALTH AND SENIOR SERVICES

Major Changes (continued)

| | |
|---------------|---|
| (\$8,343,041) | Provides for a reduction of estimated lapse in the Medicaid in-home program (\$3,200,000 GR, \$5,143,041 FED) |
| \$1,567,164 | Provides for a \$1.50/hr rate increase for pediatric nurses (\$592,075 GR, \$975,089 FED) |
| \$1,945,156 | Provides funding for the new Medical Assistance for Working Disabled – MAWD (\$734,880 GR, \$1,210,276 FED) |
| \$219,000 | Provides funding for 4 senior nutrition centers |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 11 – DEPT. OF SOCIAL SERVICES

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$1,415,767,492 | \$1,573,140,417 | 11.1% |
| FED | 3,439,130,872 | 3,390,144,700 | (1.4%) |
| OTHER | <u>1,322,144,638</u> | <u>1,680,832,676</u> | <u>27.1%</u> |
| TOTAL | \$6,177,043,002 | \$6,644,117,793 | 7.6% |

| | | | |
|--------|----------|----------|--------|
| F.T.E. | 8,284.58 | 8,245.08 | (0.5%) |
|--------|----------|----------|--------|

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------------------|----------------------------------|-------------------------------|------------------------------|
| Administrative Services | \$37,151,350 | \$34,493,437 | (7.7%) |
| Family Support | 494,612,017 | 505,733,517 | 2.2% |
| Children's Division | 552,737,130 | 577,044,131 | 4.4% |
| Youth Services | 58,927,602 | 61,768,032 | 4.8% |
| Medical Services | <u>5,033,614,903</u> | <u>5,465,078,676</u> | <u>8.6%</u> |
| TOTAL | \$6,177,043,002 | \$6,644,117,793 | 7.6% |

Major Changes

| | |
|--------------|--|
| \$7,910,004 | Provides funding for a 3% COLA for all state employees (GR \$4,778,611; FED \$2,711,048; and OTHER \$420,345) |
| \$432,636 | Provides funding for repositioning of Child Support Supervisor and Children's Service Supervisor. (GR \$265,305 and FED \$167,331) |
| \$79,408,062 | Provides funding for an increase in the Nursing Home reimbursement rate (equal to approximately \$9/day) (GR \$30,000,000 and FED \$49,408,062) |
| \$72,756,445 | Provides funding for an increase for Medicaid managed care providers' cost to continue, inflation, and utilization (GR \$26,925,817 and FED \$45,830,628) |
| \$69,864,335 | Provides funding for an increase for the Medicaid pharmacy program due to the cost of new drugs, therapies, and inflation (Inflation cost projected at 10.5%) (GR \$26,791,062 and FED \$43,073,273) |
| \$66,130,574 | Provides funding for an increase in reimbursement rates for Physician related services (GR \$25,000,000 and FED \$41,130,574) |
| \$20,617,580 | Provides funding due to a Federal change in the provider tax cap from 6% to 5.5% (GR \$20,617,580) |
| \$19,715,116 | Provides funding to provide Durable Medical Equipment (DME) benefits to adult Medicaid eligibles (GR \$7,448,371 and FED \$12,266,745) |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 11 – DEPT. OF SOCIAL SERVICES

Major Changes (continued)

| | |
|--------------|---|
| \$13,574,999 | Provides funding for an annual health risk assessment under the MO HealthNet program (GR \$5,049,416 and FED \$8,525,583) |
| \$13,420,838 | Provides funding for the new Medical for Employed Disabled program (Ticket to Work) (GR \$5,070,393 and FED \$8,350,445) |
| \$13,235,001 | Provides funding for the Insurance Premium Offset program to help lower-income Missourians purchase health insurance (GR \$5,000,000; FED \$8,235,000; and OTHER \$1) |
| \$13,223,373 | Provides funding for the change in the Federal Medical Assistance Percentage (FMAP) rate (GR \$1,194,597 and FED \$12,028,776) |
| \$11,469,134 | Provides funding for an increase in the Medicare Part D Clawback payment to the Centers for Medicare and Medicaid Services (CMS) for the elderly (GR \$11,469,134) |
| \$7,817,347 | Provides an increase in funding for the Children’s Health Insurance Program (CHIP) to apply a new affordability test (GR \$2,067,688 and FED \$5,749,659) |
| \$7,500,000 | Provides funding for electronic health and medical records (OTHER \$7,500,000) |
| \$7,426,561 | Provides funding for an increase for Medicaid projected growth in Medicare premium payments (GR \$2,805,391 and FED \$4,621,170) |
| \$5,689,362 | Provides funding to maintain the current income eligibility requirement for the purchase of childcare at 126% of the Federal Poverty Level (FPL) (OTHER \$5,689,362) |
| \$5,659,669 | Provides funding for an increase for Adoption/Guardianship Subsidy to continue funding for FY 2008 (GR \$4,943,995 and FED \$715,674) |
| \$3,205,130 | Provides funding for an increase in the payment to foster care parents (GR \$2,500,000 and FED \$705,130) |
| \$2,587,280 | Provides funding for a rate increase for Children’s Residential Treatment services (Approximately \$5/day) (GR \$993,774 and FED \$1,593,506) |
| \$1,000,000 | Provides funding to increase the income eligibility requirement for the purchase of childcare to 127% of the FPL (GR \$1,000,000) |

MAJOR OPERATING BUDGET ISSUES FOR FY 2008

HB 12 – JUDICIARY

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|--------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$155,267,876 | \$164,129,636 | 5.7% |
| FED | 9,700,642 | 10,284,578 | 6.0% |
| OTHER | <u>10,279,339</u> | <u>10,237,705</u> | <u>(.4%)</u> |
| TOTAL | \$175,247,857 | \$184,651,919 | 5.4% |
| | | | |
| F.T.E. | 3,383.55 | 3,404.05 | 0.6% |

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|---------------------------|----------------------------------|-------------------------------|------------------------------|
| Supreme Court | \$8,142,779 | \$8,438,597 | 3.6% |
| State Court Administrator | 25,013,987 | 25,669,607 | 2.6% |
| Courts of Appeal | 10,162,583 | 10,585,146 | 4.1% |
| Circuit Courts | 126,361,131 | 134,431,913 | 6.4% |
| Drug Courts | 5,225,500 | 5,225,500 | 0% |
| Comm on Retirement, Dis | 209,181 | 215,461 | 3.0% |
| Appellate Judicial Comm | 7,741 | 7,741 | 0% |
| Sentencing Commission | <u>124,955</u> | <u>77,954</u> | <u>(37.9%)</u> |
| TOTAL | \$175,247,857 | \$184,651,919 | 5.4% |

Major Issues

| | |
|-------------|---|
| \$2,897,324 | Provides for a 3% COLA for all employees except Judges. |
| \$3,927,304 | Provides funding for those positions under the Citizens' Commission on Compensation of Elected Officials. |
| \$1,118,885 | Provides funding for new, continued, or converted judicial positions and support positions. |
| \$129,600 | Provides funding for expenses and equipment in the Supreme Court. |
| \$300,000 | Provides funding for the statewide Court Appointed Special Advocate office. |
| \$606,404 | Provides funding for an increase in the Fine Collection Center. |
| \$240,000 | Provides funding for compensation of senior judges. |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 12 – OFFICE OF THE PUBLIC DEFENDER

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$30,337,822 | \$32,680,606 | 7.7% |
| FED | 125,000 | 125,000 | 0% |
| OTHER | <u>1,972,829</u> | <u>2,976,491</u> | <u>50.9%</u> |
| TOTAL | \$32,435,651 | \$35,782,097 | 10.3% |
| F.T.E. | 560.13 | 560.13 | 0% |

| <u>Division</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|----------------------|----------------------------------|-------------------------------|------------------------------|
| Defender Services | \$28,096,320 | \$29,444,864 | 4.8% |
| Federal Grants | 125,000 | 125,000 | 0% |
| LDDF | 1,972,829 | 2,976,491 | 50.9% |
| Conflict of Interest | <u>2,241,502</u> | <u>3,391,502</u> | <u>51.3%</u> |
| TOTAL | \$32,435,651 | \$35,782,097 | 10.3% |

Major Changes

- \$749,437 Provides for a 3% COLA for all state employees.
- \$1,150,000 Provides funding to contract out conflict of interest cases.
- \$447,009 Provides funding for the restoration of expenses and equipment reduced in prior years.
- \$155,760 Provides for the funding of parking leases in the metropolitan areas.
- \$1,000,000 Provides for the funding for the increase in Legal Defense and Defender fund.

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 12 – STATEWIDE ELECTED OFFICIALS

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|--------------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$46,224,199 | \$48,501,656 | 4.9% |
| FED | 38,181,093 | 23,358,160 | (38.8%) |
| OTHER | <u>45,933,279</u> | <u>46,839,935</u> | <u>2.0%</u> |
| TOTAL | \$130,338,571 | \$118,549,751 | (9.0%) |
| | | | |
| F.T.E. | 967.02 | 974.02 | 0.7% |
| | | | |
| | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
| Governor | \$2,060,752 | \$2,121,567 | 3.0% |
| LT. Governor | 724,734 | 740,000 | 2.1% |
| Secretary of State | 72,757,682 | 60,028,189 | (17.5%) |
| State Auditor | 8,208,478 | 8,431,513 | 2.7% |
| State Treasurer | 19,838,374 | 19,903,870 | 0.3% |
| Attorney General | <u>26,748,551</u> | <u>27,324,562</u> | <u>2.2%</u> |
| TOTAL | \$130,338,571 | \$118,549,751 | (9.0%) |

Major Changes

| | |
|----------------|---|
| \$1,099,348 | Provides for a 3% COLA for all state employees |
| \$49,790 | Salary increase for Statewide Elected Officials from the recommendation of the Citizens' Commission on Compensation for Elected Officials |
| \$1,002,712 | Provides General Revenue funding to the Secretary of State to increase funding of State Aid to Public Libraries |
| \$750,000 | Provides for additional General Revenue for the Secretary of State to be transferred to the Library Networking Fund as part of the Athlete and Entertainer's Tax (\$1,300,000 total core) |
| \$300,000 | Provides General Revenue funding to the Lieutenant Governor for videotaping veterans |
| (\$15,012,756) | Reduction in federal funding to the Secretary of State for the Help America Vote Act |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 12 – GENERAL ASSEMBLY

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|--------------------|---|--------------------------------------|-------------------------------------|
| GR | \$32,300,398 | \$33,248,589 | 2.9% |
| FED | 0 | 0 | 0% |
| OTHER | <u>193,567</u> | <u>194,250</u> | <u>3.5%</u> |
| TOTAL | \$32,493,965 | \$33,443,109 | 2.9% |
| F.T.E. | 711.84 | 712.84 | 0.1% |

| | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|----------------------|---|--------------------------------------|-------------------------------------|
| Senate | \$10,274,288 | \$10,561,249 | 2.8% |
| House | 19,204,009 | 19,471,647 | 1.4% |
| Professional Dues | 191,042 | 334,747 | 75.2% |
| Legislative Research | 2,226,239 | 2,382,426 | 7.0% |
| Joint Committees | <u>598,387</u> | <u>693,040</u> | <u>15.8%</u> |
| TOTAL | \$32,493,965 | \$33,443,109 | 2.9% |

Major Changes

| | |
|-----------|--|
| \$559,909 | Provides for a 3% COLA for all state employees |
| \$128,897 | Provides funding for Council of State Governments dues |
| \$25,000 | Provides funding for an audit of the State Auditor per 21.760 RSMo |
| \$32,600 | Provides for an increased funding for House expenses |
| \$100,000 | Provides funding for the Joint Committee on Legislative Research to study updating the criminal code |
| \$80,000 | Provides for funding of 1 FTE and associated E&E for the Joint Committee on Education |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 13 –REAL ESTATE

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$41,228,202 | \$106,190,419 | 157.5% |
| FED | 20,006,708 | 23,627,113 | 18.1% |
| OTHER | <u>9,065,212</u> | <u>13,640,476</u> | <u>50.5%</u> |
| TOTAL | \$70,300,122 | \$143,458,008 | 104.1% |

Major Changes

| | |
|---------------|--|
| \$15,715,690 | Provides for the transfer in from various state agencies operating budgets for personal service and expense and equipment funds for institutional consolidation. |
| \$50,675,304 | Provides for the transfer in from various state agencies operating budgets for fuel and utilities costs. |
| \$97,520 | Provides funding for leased additional space or new space for Probation and Parole. |
| \$46,860 | Provides funding for additional leased space for Highway Patrol driver's license testing locations. |
| \$15,722 | Provides for additional leased space for Department of Social Services. |
| \$10,200 | Provides partial additional funding needed for proposed consolidated facility for Department of Mental Health in St. Louis County. |
| (\$2,000,000) | Provides for a reduction due to savings in Department of Corrections fuel and utilities. |

MAJOR OPERATING BUDGET CHANGES FOR FY 2008

HB 13 –REAL ESTATE

| <u>Fund</u> | <u>FY 2007 Appropriation</u> | <u>FY 2008 After Veto</u> | <u>Percentage Change</u> |
|-------------|----------------------------------|-------------------------------|------------------------------|
| GR | \$41,228,202 | \$106,190,419 | 157.5% |
| FED | 20,006,708 | 23,627,113 | 18.1% |
| OTHER | <u>9,065,212</u> | <u>13,640,476</u> | <u>50.5%</u> |
| TOTAL | \$70,300,122 | \$143,458,008 | 104.1% |

Major Changes

| | |
|---------------|--|
| \$15,715,690 | Provides for the transfer in from various state agencies operating budgets for personal service and expense and equipment funds for institutional consolidation. |
| \$50,675,304 | Provides for the transfer in from various state agencies operating budgets for fuel and utilities costs. |
| \$97,520 | Provides funding for leased additional space or new space for Probation and Parole. |
| \$46,860 | Provides funding for additional leased space for Highway Patrol driver's license testing locations. |
| \$15,722 | Provides for additional leased space for Department of Social Services. |
| \$10,200 | Provides partial additional funding needed for proposed consolidated facility for Department of Mental Health in St. Louis County. |
| (\$2,000,000) | Provides for a reduction due to savings in Department of Corrections fuel and utilities. |

Section III

MISSOURI STATE FINANCES

MO STATE EXPENDITURES FY 1998 to FY 2007

| DEPARTMENT | FY 1998 | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|
| Public Debt | | | | | | | | | | |
| GR | \$98,464,065 | \$98,342,240 | \$100,514,395 | \$100,246,281 | \$98,871,530 | \$44,656,216 | \$68,827,494 | \$100,301,314 | \$68,207,584 | 93,583,360 |
| FED | - | - | - | - | - | - | - | 0 | 0 | 0 |
| OTH | 95,251,783 | 103,856,705 | - | - | - | - | 987,647 | 980,106 | 980,825 | 970,932 |
| TOTAL | \$193,715,848 | \$202,198,945 | \$100,514,395 | \$100,246,281 | \$98,871,530 | \$44,656,216 | \$69,815,141 | \$101,281,420 | \$69,188,409 | 94,554,292 |
| DESE | | | | | | | | | | |
| GR | \$2,156,948,658 | \$2,190,439,705 | \$2,246,166,141 | \$2,373,336,192 | \$2,440,192,352 | \$2,323,936,885 | \$2,447,249,919 | \$2,568,539,993 | \$2,564,869,759 | 2,790,215,650 |
| FED | 454,761,523 | 481,345,301 | 533,247,232 | 536,552,395 | 648,557,824 | 725,455,637 | 786,607,097 | 865,603,835 | 851,869,621 | 832,328,755 |
| OTH | 920,334,110 | 966,485,700 | 1,075,782,861 | 1,149,018,443 | 1,174,458,519 | 1,314,484,978 | 1,163,312,699 | 1,201,276,384 | 1,334,292,956 | 1,333,736,613 |
| TOTAL | \$3,532,044,291 | \$3,638,270,706 | \$3,855,196,234 | \$4,058,907,030 | \$4,263,208,695 | \$4,363,877,500 | \$4,397,169,715 | \$4,635,420,212 | \$4,751,032,336 | 4,956,281,018 |
| Higher Education | | | | | | | | | | |
| GR | \$728,289,826 | \$827,984,646 | \$878,432,055 | \$925,407,395 | \$798,708,350 | \$819,136,439 | \$815,064,751 | \$834,519,478 | \$831,264,897 | 871,081,458 |
| FED | 744,180 | 1,189,816 | 1,650,838 | 2,000,327 | 2,742,744 | 3,450,213 | 2,570,995 | 3,708,882 | 2,661,494 | 2,639,890 |
| OTH | 153,663,101 | 130,007,359 | 123,508,218 | 131,538,824 | 144,377,849 | 163,422,403 | 135,883,629 | 148,923,952 | 169,475,019 | 196,234,027 |
| TOTAL | \$882,697,107 | \$959,181,821 | \$1,003,591,111 | \$1,058,946,546 | \$945,828,943 | \$986,009,055 | \$953,519,375 | \$987,152,312 | \$1,003,401,410 | 1,069,955,375 |
| Revenue(Net Refunds) | | | | | | | | | | |
| GR | \$61,811,490 | \$68,116,058 | \$78,080,599 | \$72,496,737 | \$68,850,579 | \$66,216,732 | \$69,387,674 | \$76,582,278 | \$90,046,098 | 87,807,232 |
| FED | 212,900 | 42,174 | 44,612 | 151,563 | 89,357 | 836,166 | 5,771,302 | 6,322,475 | 5,012,820 | 3,577,818 |
| OTH | 391,608,625 | 553,190,171 | 335,955,430 | 317,307,045 | 333,721,110 | 352,197,778 | 378,884,088 | 357,773,217 | 353,684,526 | 349,609,811 |
| TOTAL | \$453,633,015 | \$621,348,403 | \$414,080,641 | \$389,955,345 | \$402,661,046 | \$419,250,676 | \$454,043,064 | \$440,677,970 | \$448,743,444 | 440,994,861 |
| Transportation | | | | | | | | | | |
| GR | \$10,178,850 | \$17,183,769 | \$17,303,319 | \$16,483,238 | \$16,482,799 | \$10,385,355 | \$11,304,721 | \$11,759,808 | \$11,476,821 | 11,668,541 |
| FED | 30,352,710 | 31,266,904 | 27,114,584 | 27,917,595 | 22,584,007 | 29,251,978 | 43,116,626 | 51,989,494 | 67,253,324 | 83,547,114 |
| OTH | 1,050,765,480 | 1,140,747,135 | 1,406,380,440 | 1,445,101,154 | 1,755,033,311 | 1,780,374,816 | 1,772,888,104 | 1,687,609,010 | 2,015,926,284 | 2,252,176,163 |
| TOTAL | \$1,091,297,040 | \$1,189,197,808 | \$1,450,798,343 | \$1,489,501,987 | \$1,794,100,117 | \$1,820,012,149 | \$1,827,309,451 | \$1,751,358,312 | \$2,094,656,429 | 2,347,391,818 |
| Office of Admin * | | | | | | | | | | |
| GR | \$340,566,948 | \$405,610,209 | \$424,818,976 | \$504,047,658 | \$537,111,294 | \$136,087,137 | \$151,352,958 | \$166,602,191 | \$162,794,441 | 188,554,486 |
| FED | 62,844,999 | 74,527,565 | 85,379,647 | 100,004,219 | 135,032,446 | 4,602,910 | 4,147,741 | 6,366,349 | 6,226,469 | 60,412,291 |
| OTH | 88,489,293 | 94,968,783 | 91,754,220 | 115,911,958 | 113,137,159 | 37,883,011 | 32,015,575 | 8,183,529 | 14,985,535 | 38,369,528 |
| TOTAL | \$491,901,240 | \$575,106,557 | \$601,952,843 | \$719,963,835 | \$785,280,899 | \$178,573,058 | \$187,516,274 | \$181,152,069 | \$184,006,445 | 287,336,305 |

*-Prior to FY 2003, actual employee benefit costs were included in OA

9/12/2007 Prepared By: Senate Appropriations Staff

MO STATE EXPENDITURES FY 1998 to FY 2007

| DEPARTMENT | FY 1998 | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
| Employee Benefits | | | | | | | | | | |
| GR | \$0 | \$0 | \$0 | \$0 | \$0 | \$398,562,945 | \$424,157,043 | \$455,603,218 | \$476,514,858 | 506,122,241 |
| FED | - | - | - | - | - | 103,166,248 | 106,421,828 | 129,439,286 | 134,752,988 | 143,621,317 |
| OTH | - | - | - | - | - | 101,673,617 | 106,800,434 | 129,106,401 | 122,647,377 | 135,224,953 |
| TOTAL | \$0 | \$0 | \$0 | \$0 | \$0 | \$603,402,810 | \$637,379,305 | \$714,148,905 | \$733,915,223 | 784,968,511 |
| Agriculture | | | | | | | | | | |
| GR | \$11,132,278 | \$12,756,376 | \$13,820,692 | \$13,346,489 | \$12,832,632 | \$13,139,227 | \$12,968,647 | \$14,530,608 | \$16,252,834 | 26,835,405 |
| FED | 542,779 | 541,203 | 474,566 | 799,298 | 912,034 | 1,367,803 | 2,107,012 | 1,962,335 | 1,864,911 | 4,941,471 |
| OTH | 18,499,670 | 7,926,854 | 9,057,909 | 9,159,086 | 11,589,032 | 10,585,908 | 10,619,032 | 9,837,002 | 10,470,071 | 10,903,802 |
| TOTAL | \$30,174,727 | \$21,224,433 | \$23,353,167 | \$23,304,873 | \$25,333,698 | \$25,092,938 | \$25,694,691 | \$26,329,945 | \$28,587,816 | 42,680,678 |
| Natural Resources | | | | | | | | | | |
| GR | \$11,149,001 | \$15,760,497 | \$14,944,846 | \$17,848,487 | \$12,200,719 | \$10,530,395 | \$8,595,916 | \$7,815,188 | \$6,378,607 | 9,734,552 |
| FED | 22,952,737 | 21,589,657 | 23,866,708 | 25,360,220 | 30,329,285 | 31,802,494 | 31,827,742 | 33,258,642 | 34,327,818 | 32,044,849 |
| OTH | 160,436,800 | 181,899,463 | 116,436,646 | 113,959,498 | 122,041,229 | 121,582,383 | 155,985,145 | 276,974,388 | 266,639,064 | 253,762,915 |
| TOTAL | \$194,538,538 | \$219,249,617 | \$155,248,200 | \$157,168,205 | \$164,571,233 | \$163,915,272 | \$196,408,803 | \$318,048,218 | \$307,345,489 | 295,542,316 |
| Conservation | | | | | | | | | | |
| GR | - | - | - | - | - | - | - | 0 | 0 | 0 |
| FED | - | - | - | - | - | - | - | 0 | 0 | 0 |
| OTH | \$89,381,173 | \$84,090,047 | \$107,891,479 | \$110,625,250 | \$109,881,228 | \$114,705,274 | \$121,157,301 | \$121,944,528 | \$127,567,790 | 129,029,169 |
| TOTAL | \$89,381,173 | \$84,090,047 | \$107,891,479 | \$110,625,250 | \$109,881,228 | \$114,705,274 | \$121,157,301 | \$121,944,528 | \$127,567,790 | 129,029,169 |
| Economic Dev | | | | | | | | | | |
| GR | \$18,394,531 | \$63,459,407 | \$61,197,849 | \$63,834,967 | \$41,533,514 | \$38,480,160 | \$37,004,001 | \$39,291,273 | \$34,752,844 | 42,824,008 |
| FED | 78,225,817 | 88,267,493 | 117,216,848 | 103,517,728 | 121,262,370 | 112,649,078 | 128,514,544 | 153,300,568 | 133,858,300 | 134,272,418 |
| OTH | 73,718,134 | 83,041,375 | 57,408,692 | 52,260,744 | 52,876,917 | 51,007,757 | 48,125,571 | 48,187,648 | 30,734,654 | 31,119,914 |
| TOTAL | \$170,338,482 | \$234,768,275 | \$235,823,389 | \$219,613,439 | \$215,672,801 | \$202,136,995 | \$213,644,116 | \$240,779,489 | \$199,345,798 | 208,216,340 |
| Insurance | | | | | | | | | | |
| GR | - | - | - | - | - | - | - | - | - | 0 |
| FED | \$188,056 | \$406,906 | \$166,306 | \$357,316 | \$400,000 | \$312,958 | \$272,210 | \$439,248 | \$558,594 | 600,000 |
| OTH | 11,255,263 | 11,749,846 | 11,965,896 | 12,070,445 | 12,678,606 | 12,569,585 | 11,984,680 | 11,933,207 | 28,107,710 | 28,405,456 |
| TOTAL | \$11,443,319 | \$12,156,752 | \$12,132,202 | \$12,427,761 | \$13,078,606 | \$12,882,543 | \$12,256,890 | \$12,372,455 | \$28,666,304 | 29,005,456 |

*-Prior to FY 2003, actual employee benefit costs were included in OA

9/12/2007 Prepared By: Senate Appropriations Staff

MO STATE EXPENDITURES FY 1998 to FY 2007

| DEPARTMENT | FY 1998 | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|
| Labor | | | | | | | | | | |
| GR | \$4,544,751 | \$4,845,721 | \$4,333,155 | \$4,927,603 | \$3,805,756 | \$3,516,405 | \$2,958,825 | \$2,518,257 | \$2,404,167 | 2,354,887 |
| FED | 67,106,526 | 64,238,619 | 45,286,517 | 45,661,804 | 50,178,908 | 40,184,791 | 42,273,080 | 43,253,253 | 42,974,397 | 37,994,248 |
| OTH | 41,880,521 | 44,018,179 | 44,119,602 | 53,371,955 | 65,692,539 | 71,586,562 | 83,821,878 | 96,800,155 | 95,779,788 | 98,468,162 |
| TOTAL | \$113,531,798 | \$113,102,519 | \$93,739,274 | \$103,961,362 | \$119,677,203 | \$115,287,758 | \$129,053,783 | \$142,571,665 | \$141,158,352 | 138,817,297 |
| Public Safety | | | | | | | | | | |
| GR | \$43,139,419 | \$45,285,381 | \$47,248,297 | \$48,871,907 | \$42,235,016 | \$43,899,204 | \$42,252,445 | \$43,654,130 | \$69,367,711 | 63,648,693 |
| FED | 43,810,177 | 59,803,891 | 56,710,959 | 57,710,500 | 82,496,343 | 130,897,118 | 98,628,735 | 102,993,602 | 115,599,813 | 170,013,548 |
| OTH | 151,600,340 | 145,980,885 | 159,110,000 | 178,751,849 | 194,898,678 | 184,485,866 | 197,435,108 | 227,699,250 | 224,594,129 | 245,104,279 |
| TOTAL | \$238,549,936 | \$251,070,157 | \$263,069,256 | \$285,334,256 | \$319,630,037 | \$359,282,188 | \$338,316,288 | \$374,346,982 | \$409,561,653 | 478,766,520 |
| Corrections | | | | | | | | | | |
| GR | \$365,371,981 | \$385,215,588 | \$417,873,544 | \$419,775,315 | \$460,224,624 | \$480,879,881 | \$492,485,349 | \$508,151,066 | \$506,016,408 | 555,309,382 |
| FED | 3,242,900 | 2,928,196 | 3,741,687 | 4,434,593 | 6,724,334 | 4,519,330 | 4,784,942 | 4,730,775 | 4,479,859 | 5,154,850 |
| OTH | 36,475,829 | 33,414,850 | 29,359,391 | 30,919,178 | 25,212,615 | 31,046,560 | 30,671,383 | 30,611,250 | 27,645,437 | 32,444,590 |
| TOTAL | \$405,090,710 | \$421,558,634 | \$450,974,622 | \$455,129,086 | \$492,161,573 | \$516,445,771 | \$527,941,674 | \$543,493,091 | \$538,141,704 | 592,908,822 |
| Mental Health | | | | | | | | | | |
| GR | \$459,087,852 | \$488,373,633 | \$513,321,021 | \$529,475,432 | \$534,022,440 | \$505,786,104 | \$502,633,401 | \$512,762,733 | \$524,314,568 | 554,971,665 |
| FED | 37,841,322 | 75,468,915 | 79,190,395 | 78,366,142 | 88,000,066 | 101,986,367 | 323,198,393 | 350,620,718 | 405,125,432 | 421,254,035 |
| OTH | 47,418,070 | 17,130,900 | 22,262,651 | 19,662,106 | 22,179,561 | 35,398,047 | 31,975,608 | 36,275,528 | 33,434,220 | 34,769,599 |
| TOTAL | \$544,347,244 | \$580,973,448 | \$614,774,067 | \$627,503,680 | \$644,202,067 | \$643,170,518 | \$857,807,402 | \$899,658,979 | \$962,874,220 | 1,010,995,299 |
| Health | | | | | | | | | | |
| GR | \$48,219,035 | \$54,227,423 | \$56,769,181 | \$92,030,539 | \$86,776,357 | \$79,042,857 | \$72,120,587 | \$69,755,302 | \$205,719,205 | 229,934,701 |
| FED | 171,067,288 | 185,096,244 | 179,995,574 | 231,519,879 | 247,408,847 | 259,181,362 | 276,725,979 | 291,842,477 | 511,193,034 | 511,750,459 |
| OTH | 12,412,842 | 12,981,778 | 13,085,818 | 15,407,000 | 17,610,959 | 28,748,897 | 33,482,411 | 34,214,460 | 27,180,129 | 18,301,404 |
| TOTAL | \$231,699,165 | \$252,305,445 | \$249,850,573 | \$338,957,418 | \$351,796,163 | \$366,973,116 | \$382,328,977 | \$395,812,239 | \$744,092,368 | 759,986,564 |
| Social Services | | | | | | | | | | |
| GR | \$892,082,416 | \$1,006,949,861 | \$1,093,382,032 | \$1,076,524,476 | \$1,170,247,366 | \$1,106,405,491 | \$1,205,302,334 | \$1,440,510,824 | \$1,252,305,354 | 1,381,363,389 |
| FED | 2,323,464,045 | 2,754,737,817 | 3,219,014,206 | 3,436,133,135 | 3,790,476,524 | 4,038,881,105 | 4,020,462,595 | 3,367,567,010 | 3,092,663,992 | 2,820,930,372 |
| OTH | 466,866,662 | 491,056,932 | 220,476,396 | 408,030,999 | 593,695,913 | 504,009,545 | 435,263,276 | 1,508,821,674 | 1,641,279,745 | 1,585,997,969 |
| TOTAL | \$3,682,413,123 | \$4,252,744,610 | \$4,532,872,634 | \$4,920,688,610 | \$5,554,419,803 | \$5,649,296,141 | \$5,661,028,205 | \$6,316,899,508 | \$5,986,249,091 | 5,788,291,730 |

*-Prior to FY 2003, actual employee benefit costs were included in OA

9/12/2007 Prepared By: Senate Appropriations Staff

MO STATE EXPENDITURES FY 1998 to FY 2007

| DEPARTMENT | FY 1998 | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| Elected Officials | | | | | | | | | | |
| GR | \$19,957,453 | \$42,325,304 | \$43,409,634 | \$45,530,594 | \$42,284,419 | \$42,611,552 | \$40,522,104 | \$44,503,179 | \$47,950,908 | 52,230,989 |
| FED | 997,922 | 3,211,405 | 3,804,013 | 3,660,740 | 4,145,744 | 4,560,587 | 5,381,990 | 15,404,560 | 30,621,697 | 27,185,013 |
| OTH | 8,864,623 | 13,079,886 | 15,785,640 | 20,370,519 | 24,895,222 | 27,579,683 | 30,216,809 | 31,122,470 | 36,753,686 | 37,170,425 |
| TOTAL | \$29,819,998 | \$58,616,595 | \$62,999,287 | \$69,561,853 | \$71,325,385 | \$74,751,822 | \$76,120,903 | \$91,030,209 | \$115,326,291 | 116,586,427 |
| Judiciary | | | | | | | | | | |
| GR | \$94,248,289 | \$106,292,792 | \$130,888,089 | \$143,690,464 | \$140,517,393 | \$139,003,782 | \$136,982,040 | \$140,697,623 | \$140,269,453 | 155,399,840 |
| FED | 3,543,742 | 6,227,168 | 6,731,717 | 5,217,333 | 3,660,881 | 4,950,075 | 6,186,858 | 5,531,703 | 8,385,862 | 5,712,966 |
| OTH | 3,998,578 | 6,827,599 | 5,255,718 | 2,955,854 | 5,195,533 | 5,122,784 | 5,740,709 | 8,393,255 | 8,817,536 | 10,401,884 |
| TOTAL | \$101,790,609 | \$119,347,559 | \$142,875,524 | \$151,863,651 | \$149,373,807 | \$149,076,641 | \$148,909,607 | \$154,622,581 | \$157,472,851 | 171,514,690 |
| Public Defender | | | | | | | | | | |
| GR | \$21,320,420 | \$24,105,873 | \$27,039,675 | \$26,920,525 | \$28,503,733 | \$28,837,478 | \$27,818,869 | \$28,461,895 | \$28,462,879 | 30,749,791 |
| FED | 32,393 | - | - | - | - | - | - | 0 | 0 | 0 |
| OTH | 817,192 | 1,385,415 | 696,500 | 1,129,452 | 752,435 | 1,193,698 | 1,141,187 | 1,712,172 | 1,205,707 | 2,231,421 |
| TOTAL | \$22,170,005 | \$25,491,288 | \$27,736,175 | \$28,049,977 | \$29,256,168 | \$30,031,176 | \$28,960,056 | \$30,174,067 | \$29,668,586 | 32,981,212 |
| General Assembly | | | | | | | | | | |
| GR | \$26,334,613 | \$28,311,562 | \$30,023,991 | \$32,457,072 | \$31,218,745 | \$30,933,643 | \$29,444,024 | \$29,369,558 | \$29,812,209 | 31,323,031 |
| FED | - | - | - | - | - | - | - | 0 | 0 | 0 |
| OTH | 242,373 | 222,160 | 269,705 | 210,929 | 129,984 | 52,716 | 86,281 | 88,402 | 149,144 | 147,111 |
| TOTAL | \$26,576,986 | \$28,533,722 | \$30,293,696 | \$32,668,001 | \$31,348,729 | \$30,986,359 | \$29,530,305 | \$29,457,960 | \$29,961,353 | 31,470,142 |
| Statewide Leasing | | | | | | | | | | |
| GR | \$17,775,009 | \$18,928,407 | \$20,930,676 | \$22,953,326 | \$23,308,688 | \$27,135,310 | \$25,084,261 | \$23,852,224 | \$35,506,075 | 40,810,895 |
| FED | 11,771,758 | 11,647,292 | 12,621,257 | 13,326,581 | 14,030,835 | 13,595,954 | 13,043,365 | 13,343,549 | 12,716,059 | 18,416,684 |
| OTH | 4,659,947 | 6,853,043 | 4,214,902 | 5,183,930 | 5,336,171 | 5,533,626 | 5,268,817 | 5,422,252 | 4,634,290 | 8,797,420 |
| TOTAL | \$34,206,714 | \$37,428,742 | \$37,766,835 | \$41,463,837 | \$42,675,694 | \$46,264,890 | \$43,396,443 | \$42,618,025 | \$52,856,424 | 68,024,999 |
| Total Operating | | | | | | | | | | |
| GR | \$5,429,016,885 | \$5,904,514,452 | \$6,220,498,167 | \$6,530,204,697 | \$6,589,928,306 | \$6,349,183,198 | \$6,623,517,363 | \$7,119,782,140 | \$7,104,687,680 | 7,726,524,196 |
| FED | 3,313,703,774 | 3,862,536,566 | 4,396,257,666 | 4,672,691,368 | 5,249,032,549 | 5,611,652,174 | 5,902,043,034 | 5,447,678,761 | 5,462,146,484 | 5,316,398,098 |
| OTH | 3,828,640,409 | 4,130,915,065 | 3,850,778,114 | 4,192,946,218 | 4,785,394,570 | 4,955,245,494 | 4,793,747,372 | 5,983,890,240 | 6,576,985,622 | 6,833,377,547 |
| TOTAL | \$12,571,361,068 | \$13,897,966,083 | \$14,467,533,947 | \$15,395,842,283 | \$16,624,355,425 | \$16,916,080,866 | \$17,319,307,769 | \$18,551,351,141 | \$19,143,819,786 | 19,876,299,841 |

*-Prior to FY 2003, actual employee benefit costs were included in OA

9/12/2007 Prepared By: Senate Appropriations Staff

MISSOURI STATE CAPITAL IMPROVEMENTS APPROPRIATIONS HISTORY: FY 1979 - FY 2008

| Appropriation for Maintenance & New Construction | | | | | Maintenance by Fund Source | | | | New Construction by Fund Source | | | |
|--|----------------------|------------------|-----------------------|------------------------|----------------------------|---------------|---------------|------------|---------------------------------|---------------|---------------|-------------|
| Fiscal Year | Maintenance & Repair | New Construction | ADA* Capital Improve. | Total Capital Improve. | General | Third State | Fourth State | Other | General | Third State | Fourth State | Other |
| | | | | | Revenue | Building Fund | Building Fund | | Revenue | Building Fund | Building Fund | |
| 1979 | 15,538,125 | 76,579,632 | n/a | 92,117,757 | 0 | 0 | n/a | 15,538,125 | (81,672,696) | 0 | n/a | 158,252,328 |
| 1980 ¹ | 17,606,024 | 85,285,841 | n/a | 102,891,865 | 0 | 0 | n/a | 17,606,024 | (92,446,804) | 0 | n/a | 177,732,645 |
| 1981 | 22,024,178 | 125,489,921 | n/a | 147,514,099 | 18,260,317 | 0 | n/a | 3,763,861 | (137,069,038) | 0 | n/a | 262,558,959 |
| 1982 | 11,555,707 | 34,735,838 | n/a | 46,291,545 | 4,961,672 | 0 | n/a | 6,594,035 | (35,846,484) | 0 | n/a | 70,582,322 |
| 1983 ² | 44,659,002 | 100,370,242 | n/a | 145,029,244 | 15,355,252 | 27,000,000 | n/a | 2,303,750 | (134,584,183) | 48,000,000 | n/a | 186,954,425 |
| 1984 ³ | 42,500,000 | 37,461,900 | n/a | 79,961,900 | 0 | 42,500,000 | n/a | 0 | (69,516,839) | 7,500,000 | n/a | 99,478,739 |
| 1985 | 34,000,000 | 170,941,858 | n/a | 204,941,858 | 0 | 34,000,000 | n/a | 0 | (194,496,797) | 41,000,000 | n/a | 324,438,655 |
| 1986 | 80,031,920 | 464,859,605 | n/a | 544,891,525 | 0 | 80,000,000 | n/a | 31,920 | (534,446,464) | 320,000,000 | n/a | 679,306,069 |
| 1987 | 32,420,658 | 93,887,074 | n/a | 126,307,732 | 29,040,358 | 650,000 | n/a | 2,730,300 | 26,946,874 | 0 | n/a | 66,940,200 |
| 1988 | 36,762,491 | 74,438,519 | n/a | 111,201,010 | 3,201,891 | 29,750,000 | n/a | 3,810,600 | 12,184,480 | 5,250,000 | n/a | 57,004,039 |
| 1989 | 25,029,217 | 98,045,830 | n/a | 123,075,047 | 7,271,317 | 11,050,000 | n/a | 6,707,900 | 30,411,575 | 0 | n/a | 67,634,255 |
| 1990 | 25,438,134 | 75,556,935 | n/a | 100,995,069 | 13,360,320 | 8,095,900 | n/a | 3,981,914 | 12,410,583 | 3,863,776 | n/a | 59,282,576 |
| 1991 | 20,559,118 | 51,615,393 | n/a | 72,174,511 | 8,783,287 | 9,174,488 | n/a | 2,601,343 | 2,613,165 | 4,029,944 | n/a | 44,972,284 |
| 1992 | 6,077,412 | 51,026,239 | n/a | 57,103,651 | 102,000 | 4,278,421 | n/a | 1,696,991 | 5,842,469 | 1,678,665 | n/a | 43,505,105 |
| 1993 | 13,451,045 | 101,518,881 | n/a | 114,969,926 | 7,223,888 | 1,487,500 | n/a | 4,739,657 | 56,772,257 | 262,500 | n/a | 44,484,124 |
| 1994 | 15,105,914 | 69,432,398 | 38,507,704 | 123,046,016 | 5,323,903 | 0 | n/a | 9,782,011 | 17,790,470 | 0 | n/a | 51,641,928 |
| 1995 | 21,062,406 | 391,155,679 | n/a | 412,218,085 | 13,486,681 | 1,004,084 | n/a | 6,571,641 | 6,243,178 | 994,836 | 250,000,000 | 133,917,665 |
| 1996-97 ⁴ | 45,979,315 | 363,397,366 | n/a | 409,376,681 | 33,338,894 | 0 | 0 | 12,640,421 | 192,356,673 | 0 | 0 | 171,040,693 |
| 1997 | 0 | 362,195,578 | n/a | 362,195,578 | 0 | 0 | 0 | 0 | 326,671,012 | 0 | 0 | 35,524,566 |
| 1998-99 | 60,158,925 | 490,660,340 | 1,124,000 | 551,943,265 | 26,146,444 | 1,402,500 | 0 | 32,609,981 | 247,900,896 | 247,500 | 4,150,000 | 239,485,944 |
| 1999 | 0 | 185,866,273 | n/a | 185,866,273 | 0 | 0 | 0 | 0 | 148,596,895 | 0 | 0 | 37,269,378 |
| 2000-01 | 59,269,229 | 485,464,477 | 2,000,951 | 546,734,657 | 2,677,106 | 0 | 0 | 56,592,123 | 90,851,785 | 0 | 11,824,800 | 384,788,843 |
| 2001 | 0 | 161,449,378 | 0 | 161,449,378 | 0 | 0 | 0 | 0 | 155,259,154 | 0 | 0 | 6,190,224 |
| 2002-03 | 89,978,254 | 74,532,065 | 0 | 164,510,319 | 70,311,606 | 0 | 0 | 19,666,648 | 6,916,295 | 0 | 0 | 67,615,770 |
| 2003 | 0 | 5,807,645 | 0 | 5,807,645 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,807,645 |
| 2004-05 | 133,537,022 | 223,559,884 | 0 | 357,096,906 | 83,800,084 | 0 | 0 | 49,736,938 | 1,000 | 0 | 0 | 223,558,884 |
| 2005 | 0 | 3,625,045 | 0 | 3,625,045 | 0 | 0 | 0 | 0 | 625,044 | 0 | 0 | 3,000,001 |
| 2006-07 | 112,893,818 | 182,986,121 | 0 | 295,879,939 | 81,086,755 | 0 | 0 | 31,807,063 | 13,700,525 | 0 | 0 | 169,285,596 |
| 2007 | 0 | 151,211,197 | 0 | 151,211,197 | 0 | 0 | 0 | 0 | 11,595,722 | 0 | 0 | 139,615,475 |
| 2008-09 ⁵ | 168,279,686 | 289,129,000 | 0 | 457,408,686 | 147,368,879 | 0 | 0 | 20,910,807 | 0 | 0 | 0 | 289,129,000 |

¹ Fiscal Year 1980 includes \$49,150,000 for Truman State Office Building vetoed by the Governor (veto overridden).

² Fiscal Year 1983 includes appropriations from the 1983 Special Session.

³ Fiscal Year 1984 includes appropriations from the 1984 Special Session.

⁴ Fiscal Year 1996 biennial appropriations implemented.

⁵ Fiscal Year 2007 Supplemental HB 16 included \$289,129,000 for Capital Improvement projects for higher education institutions and community colleges

*ADA – Americans with Disabilities Act

CONSENSUS STATE REVENUE ESTIMATE & RECEIPTS FY 2005 thru FY 2008

The consensus revenue estimate calculated by the Office of Administration and the General Assembly attempts to provide an accurate revenue forecast for the upcoming fiscal year, based upon projections of both the national and state economic conditions and trends. The revenue estimate is one of the first areas that is analyzed before the state budget is formulated and is usually finalized in the December preceding the next fiscal year.

CONSENSUS REVENUE ESTIMATE FOR FISCAL YEARS 2007 & 2008 (Millions \$)

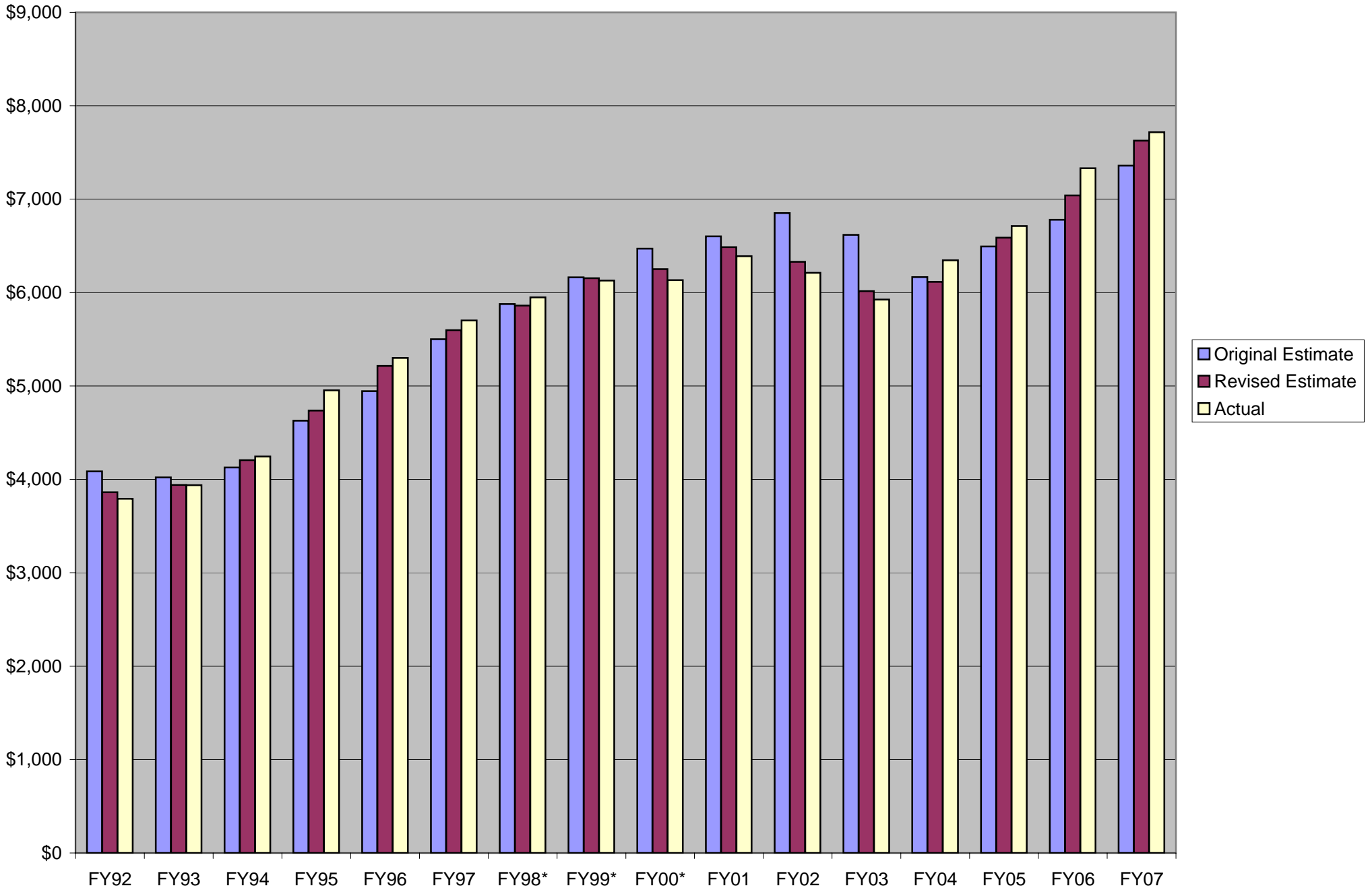
| | Original Estimate FY 2007 | Revised Estimate FY 2007 | Original Estimate FY 2008 | FY 2008 Est. vs FY 2007 Rev. Est. % Change |
|---------------------------------|------------------------------|-----------------------------|------------------------------|--|
| GENERAL REVENUE: | | | | |
| Sales & Use Tax | \$2,030.7 | \$2,036.9 | \$2,081.6 | 2.2% |
| Individual Income Tax | 5,521.6 | 5,688.6 | 6,021.9 | 5.9% |
| Corporate Income/Franchise Tax | 602.6 | 597.6 | 615.8 | 3.0% |
| County Foreign Insurance Tax | 174.8 | 200.0 | 207.0 | 3.5% |
| Liquor Taxes and Licenses | 24.0 | 25.3 | 26.0 | 2.8% |
| Beer Taxes and Licenses | 8.6 | 8.5 | 8.6 | 1.2% |
| Inheritance/Estate Tax | 0.0 | 2.4 | 0.0 | -100.0% |
| Interest | 26.7 | 43.0 | 44.5 | 3.5% |
| Federal Reimbursements | 71.4 | 77.3 | 74.5 | -3.6% |
| Other Sources | 138.0 | 139.5 | 139.5 | 0.0% |
| TOTAL GENERAL REVENUE | 8,598.4 | 8,819.1 | 9,219.4 | 4.5% |
| *Less Refunds | (1,240.1) | (1,192.0) | (1,300.0) | 9.1% |
| NET BASE GENERAL REVENUE | 7,358.3 | 7,627.1 | 7,919.4 | 3.8% |

GENERAL REVENUE RECEIPTS FOR FISCAL YEAR 2005, 2006 & 2007 (Millions \$)

| | Receipts FY 2005 | Receipts FY 2006 | Receipts FY 2007 | FY 2007 vs. FY 2006 % Change |
|---------------------------------|------------------|------------------|------------------|------------------------------------|
| GENERAL REVENUE: | | | | |
| Sales & Use Tax | \$1,957.8 | \$1,993.1 | \$2,043.0 | 2.5% |
| Individual Income Tax | 4,859.3 | 5,352.0 | 5,726.5 | 7.0% |
| Corporate Income/Franchise Tax | 473.8 | 606.7 | 631.7 | 4.1% |
| County Foreign Insurance Tax | 165.5 | 189.7 | 199.1 | 5.0% |
| Liquor Taxes and Licenses | 23.0 | 24.0 | 25.8 | 7.4% |
| Beer Taxes and Licenses | 8.2 | 8.4 | 8.4 | 0.2% |
| Inheritance/Estate Tax | 42.2 | 15.6 | 6.0 | -61.6% |
| Interest | 18.8 | 35.4 | 53.8 | 52.0% |
| Federal Reimbursements | 86.8 | 89.1 | 78.2 | -12.2% |
| Other Sources | 147.4 | 147.2 | 152.5 | 3.6% |
| TOTAL GENERAL REVENUE | 7,782.7 | 8,461.1 | 8,925.2 | 5.5% |
| *Less Refunds | (1,071.3) | (1,128.9) | (1,208.8) | 7.1% |
| NET BASE GENERAL REVENUE | 6,711.4 | 7,332.2 | 7,716.4 | 5.2% |

* Per section 136.035, RSMo, the Department of Revenue will pay refunds on any overpayment or erroneous payment of tax that the state collects. This includes, but may not be limited to, refund claims for senior citizens, sales, income, withholding, corporate, and other refunds.

Comparison of the Consensus Revenue Estimate to Actual Collections
(Millions \$)



* In FY98, FY99, & FY00 the General Assembly passed tax cuts after the original estimate was completed.

State of Missouri Bonded Indebtedness

The General Assembly is authorized by constitutional and statutory provisions to authorize the issuance of debt for various purposes. The Board of Fund Commissioners and the Board of Public Buildings are responsible for managing the state's issuance of general obligation instruments and revenue bonds, respectively. In addition, the General Assembly has created several financing authorities responsible for raising capital via debt issuance for specific purposes.

General Obligation Instruments

The State of Missouri presently has several outstanding issues of Water Pollution Control (WPC), Third State Building (TSB), Fourth State Building (FSB), and Stormwater Control Bonds (SWB) general obligation bonds. WPC bonds provide funding for various projects aimed at protecting the environment through the control of water pollution. TSB bonds provide funding for necessary improvements to state buildings and property. FSB bonds provide funding for improvements of buildings and property of higher education institutions, the Department of Corrections, and the Division of Youth Services. SWB bonds provide funds for state use to protect the environment through the control of stormwaters. All are secured by a pledge of the full faith and credit of the state of Missouri.

The Constitution of the State of Missouri establishes limits for WPC, TSB, FSB and SWB bonds. The constitutional limit on WPC bonds is \$725 million (Article III, § 37(b), 37(c), 37(e), Missouri Constitution). The constitutional limit on TSB bonds is \$600 million (Article III, § 37(d), Missouri Constitution). The constitutional limit on FSB bonds is \$250 million (Article III, § 37 (f), Missouri Constitution). The constitutional limit on SWB bonds is \$200 million (Article III, § 37(h). The amount of WPC bonds that remain authorized but not yet issued is \$210,505,760. There is no remaining amount of authorization to be issued for the TSB and FSB bonds.

Revenue Bonds

Upon approval of the General Assembly, the Board of Public Buildings is authorized to issue revenue bonds for state building projects to house state agencies. The total statutorily authorized issuance amount is \$945,000,000. The Department of Natural Resources (DNR) is also authorized to issue revenue bonds with the General Assembly's approval. DNR uses revenue bond proceeds for the acquisition and/or development of park facilities.

Revenue bonds are secured by revenues generated from the projects they finance and are not backed by the full faith and credit of the state. Section 8.420, RSMo, limits revenue bond issuance by the Board of Public Buildings to \$825 million. Sections 253.210-253.280, RSMo, limit revenue bonds issued by DNR to \$5,167,000 for state parks.

Both the Board of Public Buildings and DNR are allowed by statute to issue bonds for the purpose of refunding outstanding issues. As with general obligation bonds, revenue bonds are refunded when lower rates of interest are available.

In May of 2001, the Board issued \$173,870,000 principal amount of State Building Special Obligation Bonds, Series A 2001 for the purpose of financing the Jefferson City Correctional Center, the Western Missouri Mental Health Center, and the Department of Natural Resources Office Building, to purchase a building presently being leased by the State and pay certain costs of issuance of the Bonds. In 2003,

\$387,425,000 was issued to reimburse General Revenue for costs of various capital improvements projects and new construction for a state health laboratory, University of Missouri – Kansas City Pharmacy building, and a University of Missouri – Columbia Life Sciences building. Bonds will be issued in 2006 or 2007 for the replacement women’s correctional facility located in Chillicothe.

Other Debt Issuances

On August 15, 1991, the St. Louis Regional Convention and Sports Complex Authority issued \$132,910,000 of Convention and Sports Facility Project bonds for the eastern expansion of the existing Cervantes Convention Center in St. Louis. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the state. However, under a financing agreement dated August 1, 1991, appropriations are made from General Revenue to pay the principal and interest due each year. The Regional Convention and Sports Complex Authority issued \$121,705,000 of Convention and Sports Facility Refunding Bonds in December 1993 and issued \$116,030,000 of Convention and Sports Facility Project and Refunding Bonds Series A 2003 on August 1, 2003. Payments are to conclude in fiscal year 2022. Annual appropriation is \$2,000,000.

Section 67.641 RSMo establishes appropriations up to \$2,000,000 annually to be paid from the state general revenue fund to each convention and sports complex fund created pursuant to Section 67.639. In 1997 Section 67.641 RSMo was revised and annual state contributions was increased from \$2,000,000 to \$3,000,000. In fiscal year 1991 the Kansas City Convention Center (Bartle Hall) began receiving \$2,000,000 annually from the State. Payments will continue until fiscal year 2015. In fiscal year 1991 Jackson County Convention Center (Kauffman/Arrowhead Stadium) began receiving \$2,000,000. In fiscal year 1998 the amount was increased to \$3,000,000 and will continue until fiscal year 2015.

On November 1, 2001, the Missouri Health and Education Facilities Authority (MOHEFA) issued \$35,000,000 of Educational Facilities Revenue Bonds Series 2001 to finance the University of Missouri – Columbia Arena Project. The State’s debt service payments began in fiscal year 2005 when the first principal payment was due. Interest amounts due prior to fiscal year 2005 were paid from interest capitalized from the bond proceeds. Payments will continue until fiscal year 2022.

On September 1, 1997, the Missouri Highway 179 Transportation Corporation issued \$22,930,000 of highway revenue bonds for the purpose of acquisition of right-of-way and construction of an extension of Missouri Highway 179 from U.S. Highway 50 to Route B in Cole County, Missouri. At the same time, the Highway and Transportation Commission entered into a financing agreement to make payment to the Corporation in amounts sufficient to pay principal and interest due on \$18,385,625 of bonds. These bonds are not an obligation of the Corporation and do not constitute a pledge of the full faith and credit of the State. The City of Jefferson and the County of Cole will pay the remainder of the debt service requirements.

The Fulton 54 Transportation Corporation issued \$8,705,000 of Highway Revenue Bonds Series 2000 dated September 1, 2000. These bonds are not an obligation of the corporation and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement dated September 1, 2000, the Missouri Highways and Transportation Commission will make payments to the Corporation in amounts sufficient to pay principal due on \$7,695,000 of bonds, which final maturity is reached September 1, 2007. The remainder of the debt service requirements will be paid by the City of Fulton.

The Missouri Highways and Transportation Commission authorized by the State Highway Act, issued \$250,000,000 of State Road Bonds Series A 2000 dated December 1, 2000, for the purpose of providing funds to finance project costs for highway construction and repairs scheduled in the five-year plan, to fund capitalized interest on the series, and to fund related issuance cost. The principal and interest of the State Road Bonds are payable solely from the State Road Fund's revenues as provided in the Missouri Constitution. In October 2001, \$200,000,000 of Series A 2001 State Road Bonds were issued and in June 2002 \$203,000,000 of Series A 2002 State Road Bonds were issued. The Commission also issued an additional \$254,000,000 of Series A 2003 State Road Bonds in November 25, 2003. On July 1, 2005 the Commission issued \$278,660,000 of Series A 2005 First Lien State Road Bonds and additionally issued \$72,000,000 of Series B 2005 Third Lien State Road Bonds. The Commission issued \$296,670,000 of Series A 2006 First Lien State Road Bonds dated August 1, 2006. Series B 2006 First Lien State Road bonds was issued in the amount of \$503,330,000 by the Commission on August 1, 2006. The Commission issued Series 2006 Senior Lien Refunding State Road Bonds dated December 1, 2006. This refunded \$135,980,000 of Series A 2000, \$105,075,000 of Series A 2001, \$109,165,000 of Series A 2002, and \$57,390,000 of Series A 2003.

On December 15, 2002, the Conservation Commission sold Certificates of Participation (Conservation Commission Project) Series 2002 in the amount of \$4,700,000 to lease/purchase the Conservation Campus in Cape Girardeau from the county. The state's obligation under the certificates of participation does not constitute a general obligation or other indebtedness of the state. The certificates of participation represent proportionate ownership interests of the certificate holders in a lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State.

Lease/Purchase Agreements

On March 1, 1994, Missouri Public Facilities Corporation sold Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994 in the amount of \$22,250,000. The State of Missouri entered into a lease/purchase agreement to lease the acute care psychiatric hospital. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates.

On April 1, 1995, the Missouri PRC Corporation sold Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995 in the amount of \$19,190,000. At the same time, the State of Missouri entered into a lease/purchase agreement to lease the psychiatric rehabilitation center. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates, and are subject to annual appropriation by the General Assembly.

On July 1, 1995, the Northwest Missouri Public Facilities Corporation sold Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995 in the amount of \$14,795,000. The State of Missouri entered into a lease/purchase agreement to lease the psychiatric rehabilitation center. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates, and are subject to annual appropriation by the General Assembly.

On May 27, 1999, the Missouri Public Facilities Corporation II sold Certificates of Participation (Bonne Terre Prison Project) Series A 1999 in the amount of \$106,190,000. At the same time, the State of Missouri entered into a lease/purchase agreement to lease the prison. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates, and are subject to annual appropriation by the State legislature.

On March 1, 2005, the State issued Refunding Certificates of Participation Series A 2005 in the amount of \$120,490,000. The Refunding Certificates of Participation refunded \$13,945,000 of Missouri Public Facilities Corporation Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994, \$13,400,000 Of Missouri PRC Corporation Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995, \$9,915,000 of Northwest Missouri Public Facilities Corporation Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995 and \$83,480,000 of Missouri Public Facilities Corporation II Certificates of Participation (Bonne Terre Prison Project) Series A 1999. The certification of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificate does not constitute a pledge of the full faith and credit of the State.

On November 1, 2005 the Missouri Development Finance Board issued Missouri Development Finance Board Leasehold Revenue Bonds Series 2005 in the amount of \$28,995,000. The Board issued the bonds to finance the purchase of three buildings in St. Louis (Florissant, St. Louis, and Jennings). The Board additionally issued \$9,865,000 of Leasehold Revenue Bonds Series 2006 on May 1, 2006 for the purchase of a building in St. Louis. The State has entered into a lease with the Board.

STATE OF MISSOURI
SUMMARY OF STATE INDEBTEDNESS
As of July 1, 2007

| Series | Principal Outstanding July 1, 2007 |
|-----------------------------------|--|
| General Obligation Bonds | \$684,515,000 |
| Revenue Bonds | 682,255,000 |
| Other Debt/Payments | 2,123,996,920 |
| Totals Including Refunding Issues | <u>\$3,490,766,920</u> |

STATE OF MISSOURI
SUMMARY OF ANNUAL DEBT SERVICE
As of July 1, 2007

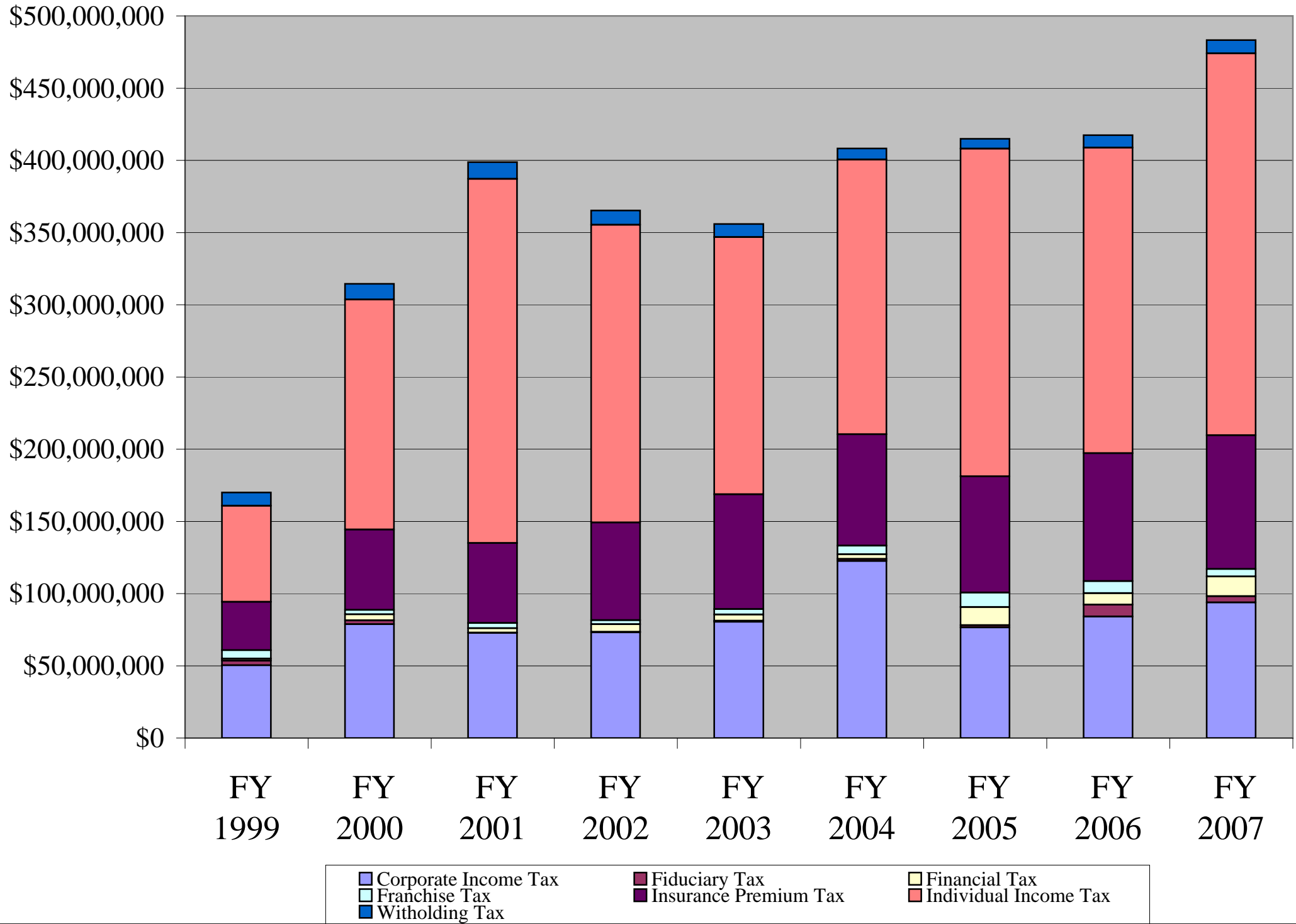
| Fiscal Year | General Obligation Bonds | Revenue Bonds | Other Debt/ Payments | Total |
|----------------|--------------------------------|---------------------------|----------------------------|---------------------------|
| 2008 | 97,626,320.03 | 62,158,518.77 | 187,003,931.00 | 346,788,769.80 |
| 2009 | 92,200,488.78 | 61,720,025.02 | 195,989,304.00 | 349,909,817.80 |
| 2010 | 94,914,038.78 | 61,301,825.02 | 197,274,828.00 | 353,490,691.80 |
| 2011 | 89,885,088.78 | 51,651,906.27 | 201,476,732.00 | 343,013,727.05 |
| 2012 | 75,121,088.78 | 51,366,143.77 | 200,413,456.00 | 326,900,688.55 |
| 2013 | 66,215,738.78 | 50,942,128.14 | 198,135,122.00 | 315,292,988.92 |
| 2014 | 58,673,551.90 | 48,502,181.26 | 197,054,266.00 | 304,229,999.16 |
| 2015 | 58,937,350.02 | 48,254,981.26 | 196,055,745.00 | 303,248,076.28 |
| 2016 | 55,957,606.27 | 48,012,531.26 | 155,102,938.00 | 259,073,075.53 |
| 2017 | 54,562,518.77 | 47,800,206.26 | 152,116,221.00 | 254,478,946.03 |
| 2018 | 29,500,712.52 | 47,735,056.26 | 151,923,498.00 | 229,159,266.78 |
| 2019 | 26,835,631.27 | 47,644,237.52 | 151,744,924.00 | 226,224,792.79 |
| 2020 | 24,641,600.02 | 47,498,943.76 | 143,114,403.00 | 215,254,946.78 |
| 2021 | 16,665,875.02 | 47,395,068.76 | 142,955,458.00 | 207,016,401.78 |
| 2022 | 16,650,612.51 | 47,305,493.76 | 137,702,021.00 | 201,658,127.27 |
| 2023 | 5,102,681.25 | 47,298,725.01 | 131,424,657.00 | 183,826,063.26 |
| 2024 | 5,103,031.25 | 47,257,500.01 | 130,942,781.00 | 183,303,312.26 |
| 2025 | 5,109,875.00 | 47,262,050.01 | 130,367,811.00 | 182,739,736.01 |
| 2026 | 5,116,281.25 | 47,288,956.26 | 129,773,911.00 | 182,179,148.51 |
| 2027 | 3,028,000.00 | 34,944,143.76 | 2,563,855.00 | 40,535,998.76 |
| 2028 | 3,028,875.00 | 34,871,409.38 | 2,569,233.00 | 40,469,517.38 |
| 2029 | - | 34,835,681.25 | 2,565,864.00 | 37,401,545.25 |
| 2030 | - | 8,027,000.00 | 2,567,639.00 | 10,594,639.00 |
| 2031 | - | 8,004,656.25 | 2,563,628.00 | 10,568,284.25 |
| 2032 | - | 8,001,062.50 | | 8,001,062.50 |
| | <u>\$884,876,965.98</u> | <u>\$1,087,080,431.52</u> | <u>\$3,143,402,226.00</u> | <u>\$5,115,359,623.50</u> |

TAX CREDIT ANALYSIS - Redeemed Tax Credits
Fiscal Impact to Treasury for Fiscal Year Ending June 30, 2007

| | Fiscal Year Comparison | | | | | | | |
|--|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
| <u>Tax Credits Redeemed by Tax Category</u> | | | | | | | | |
| Corporate Income Tax | 78,737,967 | 72,860,912 | 73,271,172 | 80,484,555 | 122,546,225 | 76,625,132 | 84,110,594 | 93,829,032 |
| Fiduciary Tax | 2,704,322 | 54,013 | 188,234 | 644,933 | 1,425,487 | 1,461,890 | 8,165,222 | 4,390,264 |
| Financial Tax | 4,253,056 | 3,038,924 | 5,287,706 | 4,406,851 | 3,244,932 | 12,577,271 | 7,990,333 | 13,699,903 |
| Franchise Tax | 2,952,422 | 3,652,981 | 2,899,711 | 3,657,601 | 6,010,883 | 9,998,466 | 8,425,771 | 5,107,483 |
| Insurance Premiums Tax | 55,750,267 | 55,403,401 | 67,521,748 | 79,613,541 | 77,081,548 | 80,497,660 | 88,587,262 | 92,621,409 |
| Individual Income Tax | 159,242,242 | 252,134,676 | 206,172,658 | 178,008,175 | 190,265,386 | 226,898,202 | 211,466,404 | 264,447,141 |
| Withholding Tax | 10,888,919 | 11,542,521 | 9,864,792 | 9,139,913 | 7,696,571 | 6,847,304 | 8,654,772 | 9,205,740 |
| | 314,529,195 | 398,687,428 | 365,206,021 | 355,955,569 | 408,271,030 | 414,905,925 | 417,400,358 | 483,300,973 |
| <u>Tax Credits Redeemed by Major Tax Credit</u> | | | | | | | | |
| Senior Citizen Circuit Breaker | 56,623,024 | 101,523,060 | 85,901,461 | 97,180,378 | 95,237,314 | 99,101,427 | 96,090,703 | 93,118,747 |
| Historic Preservation | 8,769,292 | 33,971,984 | 32,810,273 | 40,505,696 | 61,584,966 | 74,532,355 | 103,134,226 | 132,841,728 |

| <u>Increases/Decreases - FY 2006 to FY 2007</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>% Inc/Dec</u> |
|---|----------------|----------------|------------------|
| Historic Preservation (Individual, Corporate & Other) | 103,134,226 | 132,841,729 | 28.80% |
| Senior Citizen Circuit Breaker (Individual) | 96,090,703 | 93,118,747 | -3.09% |
| Infrastructure Development (Individual, Corporate * Other) | 21,858,725 | 24,706,809 | 13.03% |
| Business Use Incentives for Large Scale Development (Build) (Ind, Co) | 5,402,416 | 6,958,318 | 28.80% |
| Certified Capital Co. (CAPCO) - (Corporate/Insurance) | 13,164,904 | 13,121,442 | -0.33% |
| Neighborhood Assistance (Individual, Corporate & Other) | 10,009,497 | 13,924,340 | 39.11% |
| Neighborhood Preservation (Individual, Corporate & Other) | 4,627,368 | 5,549,062 | 19.92% |
| Rebuilding Communities (Individual, Corporate & Other) | 1,764,167 | 1,390,803 | -21.16% |
| Low Income Housing (Individual, Corporate & Other) | 61,963,799 | 81,646,784 | 31.77% |
| Remediation Tax Credit (Individual, Corporate & Other) | 10,611,324 | 16,710,519 | 57.48% |

Tax Credit Impact on Treasury



GAMING & GAMING COMMISSION REVENUE

Senate Bill 10 & 11 (86th General Assembly, 1st Regular Session, 1994) created the Missouri Gaming Commission, which became responsible for the licensing and regulation of excursion gambling boats throughout the state. After June 30, 1994, this act also provided for the transfer of responsibilities of licensing and regulation of bingo activities to the Gaming Commission.

Revenues generated from the gaming industry provide for the operation of the Missouri Gaming Commission (§ 313.835 RSMo), as well as providing a portion of the funding for education throughout the state (§ 313.835 RSMo; Article IV, Section 15, Missouri Constitution). The following information outlines how gaming revenues are divided between the State Education Fund and the Gaming Commission.

Gaming Revenue in Missouri

The following summarizes how the funding mechanism allocates dollars to both the operation of the Gaming Commission and to the State Education Fund.

- There is a \$2 boarding fee, paid either by the gambler or the casino, \$1 of which supports the operation of the Gaming Commission, with the other \$1 going to the local government.
- 80% of the gamblers' losses goes to the boat, while 2% goes to the local government. The remaining 18% (Gaming Tax) is allocated to the Classroom Trust Fund for education.

Contribution of Gaming Proceeds (18% tax) to Education

| | FY 2006 | FY 2007 | FY 2008 (estimated) |
|------------------------------|-----------------|-----------------|---------------------|
| Gaming Revenue | \$1,570,080,651 | \$1,599,686,340 | \$1,599,686,340 |
| Gaming Proceeds to Education | \$282,614,517 | \$287,943,541 | \$287,943,541 |

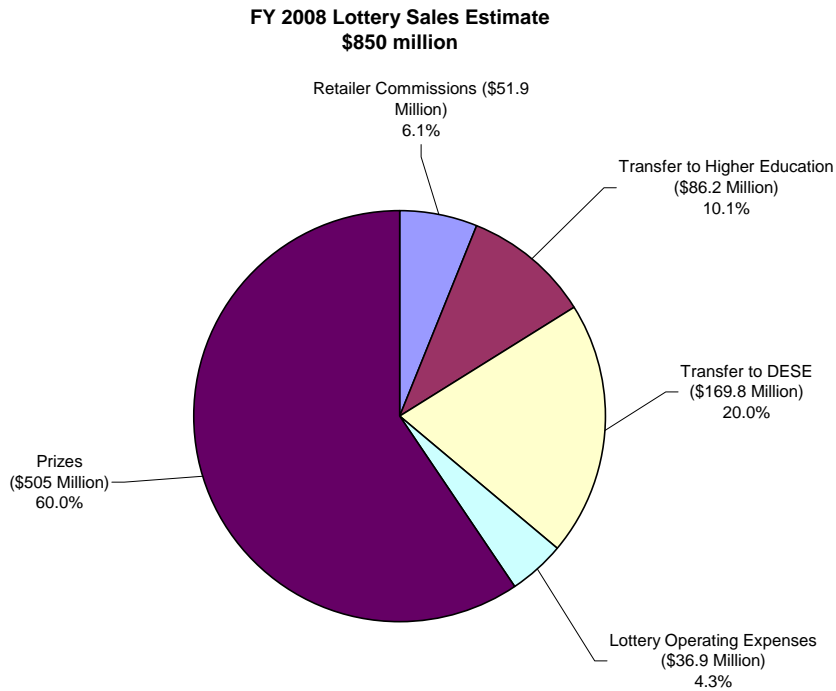
Appropriations of Gaming Commission Fund Revenues (\$1 boarding fee) **

| | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| Juvenile Court Diversion | \$500,000 | \$500,000 | \$500,000 |
| Veterans Commission CI Trust Fund | \$6,000,000 | \$6,000,000 | \$6,000,000 |
| MO National Guard Trust | \$4,000,000 | \$4,000,000 | \$4,000,000 |
| MO College Guarantee | \$5,000,000 | \$5,000,000 | \$5,000,000 |
| Early Childhood | \$30,320,000 | \$30,832,109 | \$30,320,000 |
| Compulsive Gambling | \$489,850 | \$489,850 | \$489,850 |
| Administrative Expenses | <u>\$18,380,110</u> | <u>\$21,294,483</u> | <u>\$19,760,974</u> |
| TOTAL | \$64,689,960 | \$68,116,442 | \$66,070,824 |

NOTE: The amounts listed above for the Veterans Commission Capital Improvements Trust Fund, National Guard Trust, MO College Guarantee are transferred amounts from HB 8. The remaining items; Juvenile Court Diversion (HB 11), Early Childhood (HB 2, 10, 11), Compulsive Gambling (HB 10), and Administrative Expenses (HB 8) are appropriated dollar amounts.

FY 2008 Lottery Sales Estimate

The Missouri State Lottery was created by voter approval of Constitutional Amendment No. 5 on November 6, 1984. Section 39(b) of Article III of the Missouri Constitution requires that a minimum of 45% of money received from the sale of Missouri state lottery tickets shall be awarded as prizes. The Constitution was further amended on August 4, 1992 to dedicate net lottery proceeds solely to public institutions of elementary, secondary, and higher education.



TOBACCO SETTLEMENT PROCEEDS

In 1997, the state of Missouri sued 18 tobacco companies on the basis of violations of the Missouri Merchandising Act and antitrust laws, as well as for reimbursement for health care costs and a variety of other claims. In November 1998, Missouri entered into the Master Settlement Agreement ("MSA") in resolution of the litigation in the Circuit Court of the City of St. Louis. Missouri agreed to dismiss all claims in exchange for a series of monetary payments, continued for at least 25 years, and non-monetary benefits, such as a prohibition against certain tobacco advertising. The court approved the settlement on March 5, 1999. Several parties, including public hospitals and other political subdivisions of the state, appealed the MSA and the denial of motions to intervene in the case at the trial level. The Missouri Court of Appeals, Eastern District, upheld the decision of the trial court to approve the settlement, and the Missouri Supreme Court accepted the transfer of the appeal. The Missouri Supreme Court issued its opinion approving the settlement on December 12, 2000.

Settlement Proceeds

The MSA provides that tobacco companies will make payments into an escrow account from which moneys will be disbursed to the state. Missouri's share is estimated at \$4.5 billion over 25 years. This estimate includes adjustments, reductions and offsets, which are calculated on a yearly basis. A schedule of payments and the estimated revenues is shown below.

| <u>Fiscal Year</u> | <u>Amount (in millions of dollars)</u> |
|--------------------|--|
| FY 2001 | \$ 338.2 (actual) |
| FY 2002 | \$ 172.7 (actual) |
| FY 2003 | \$ 166.9 (actual) |
| FY 2004 | \$ 143.1 (actual) |
| FY 2005 | \$ 144.9 (actual) |
| FY 2006 | \$ 133.1 (actual) |
| FY 2007 | \$ 140.2 (actual) |
| FY 2008 | \$ 164.7 |
| FY 2009 | \$ 166.4 |
| FY 2010-2025 | <u>\$2,954.0</u> |
| Total | \$4,524.2 |

The payments received in FY 2006 were \$20.9 million lower than anticipated due to funds being withheld until a pending lawsuit filed by the tobacco companies regarding changes in market-share are resolved. It is possible that the outcome of the suit will result in reductions in future payments.

Account Structure

The Governor issued an Executive Order (01-05) on February 12, 2001, creating a Healthy Families Trust Fund within the state treasury. The Executive Order created five sub-accounts within the Fund: Early Childhood Care and Education Account; Life Sciences Research Account; Tobacco Prevention, Education and Cessation Account; Health Care Treatment and Access Account; and Senior Catastrophic Prescription Drug Account. The Executive Order did not appropriate any funds or dictate any percentages for funding allocations to any account. It directed the Office of Administration to receive and expend tobacco settlement money in accordance with the budget submitted to the General Assembly as amended and truly agreed to and finally passed bills signed by

the Governor.

Executive Order 06-22 issued on June 22, 2006 abolished the five sub-accounts and established that the Healthy Families Trust Fund would expend all payments as appropriated in the budget. The rationale behind the change was to eliminate administrative overhead and double exposure of the funds to the state's cost allocation plan. According to the Office of Administration, this change will have no budgetary impact.

FY 2002 Expenditures

Due to budget shortfalls that occurred during Fiscal Year 2002, much of the tobacco settlement monies were withheld from the programs they were appropriated for and subsequently transferred to General Revenue. Final expenditures amounts are as follows:

| | |
|----------------------|-------------------------|
| Health Care | \$ 79.2 million |
| Early Childhood | \$ 9.7 million |
| Life Sciences | \$.4 million |
| Tobacco Prevention | \$.7 million |
| Prescription Drugs | \$ 63.2 million |
| Endowment Fund | \$ 0 |
| Cost Allocation Plan | \$ 2.5 million |
| Transfer to GR | <u>\$ 228.3 million</u> |
| Total | \$ 384.0 million |

FY 2003 Expenditures

The following expenditure amounts are for Fiscal Year 2003:

| | |
|----------------------|------------------------|
| Health Care | \$ 53.8 million |
| Early Childhood | \$ 0 |
| Life Sciences | \$ 0 |
| Tobacco Prevention | \$.4 million |
| Prescription Drugs | \$ 20.4 million |
| Cost Allocation Plan | \$ 2.5 million |
| Transfer to GR | <u>\$ 89.4 million</u> |
| Total | \$ 166.5 million |

FY 2004 Expenditures

The following expenditure amounts are for Fiscal Year 2004:

| | |
|----------------------|------------------------|
| Health Care | \$ 54.3 million |
| Tobacco Prevention | \$.4 million |
| Prescription Drugs | \$ 16.9 million |
| Cost Allocation Plan | \$ 2 million |
| Transfer to GR | <u>\$ 70.7 million</u> |
| Total | \$ 144.3 million |

FY 2005 Expenditures

The following expenditure amounts are for Fiscal Year 2005:

| | |
|----------------------|------------------------|
| Health Care | \$ 53.5 million |
| Tobacco Prevention | \$.4 million |
| Prescription Drugs | \$ 16.8 million |
| Cost Allocation Plan | \$ 2.3 million |
| Transfer to GR | <u>\$ 72.1 million</u> |

Total \$145.1 million

FY 2006 Expenditures

The following expenditure amounts are for Fiscal Year 2006:

| | |
|----------------------|-----------------------|
| Health Care | \$ 53.5 million |
| Tobacco Prevention | \$.5 million |
| Prescription Drugs | \$ 9.0 million |
| Cost Allocation Plan | \$ 2.1 million |
| Transfer to GR | \$ 65.3 million* |
| Treasurer transfer | <u>\$.02 million</u> |

Total \$130.4 million

*Includes \$1.6 million swept from Health Care Account as part of the biennial transfer to GR.

FY 2007 Expenditures

The following expenditure amounts are for Fiscal Year 2007:

| | |
|------------------------|------------------------|
| Health Care | \$ 53.4 million |
| Tobacco Prevention | \$.5 million |
| Prescription Drugs | \$ 7.0 million |
| Cost Allocation Plan | \$ 2.1 million |
| Transfer to GR | \$ 34.8 million |
| Life Science Research* | <u>\$ 33.3 million</u> |

Total \$131.1 million

*Beginning in FY 2007, 25% of the annual tobacco settlement payments are to be deposited directly in a Life Sciences Research Trust Fund. For FY 2007, the entire 25% (\$38.5 million) was used to fund Medicaid pharmacy costs.

FY 2008 Appropriations

The following appropriation amounts for Fiscal Year 2008:

| | |
|---------------------------------|------------------------|
| Medicaid (DSS) | \$ 51.0 million |
| Missouri RX (DSS) | \$ 13.8 million |
| Alcohol & Tobacco Control (DPS) | \$ 0.2 million |
| Alcohol & Drug Abuse (DMH) | \$ 2.0 million |
| Prevention & Education (DMH) | \$ 0.3 million |
| Cost Allocation Plan | \$ 2.1 million |
| Transfer to GR | \$ 38.1 million |
| Life Science Research (DED)* | \$ 13.4 million |
| Life Science Research (DSS)* | <u>\$ 21.7 million</u> |

Total \$131.1 million

*For FY 2008, appropriations were made out of the Life Science Research Trust Fund for the Dept. of Economic Development to Life Science Research Board (as per Section 196.1100-196.1130 RSMo) and also to the Dept. of Social Services to fund Medicaid pharmacy costs.

Section IV

LEGISLATION

ESTIMATED FISCAL IMPACT OF LEGISLATION FOR FY 2008 – FY 2010

57 Senate Bills, 58 House Bills, 1 House Joint Resolution, 2 Senate Concurrent Resolutions, and 8 House Concurrent Resolutions were “Truly Agreed To and Finally Passed” during the 94th General Assembly, 1st Regular Session, (2007). The Governor vetoed one bill.

Presented on the following pages is a summary of the estimated fiscal impact over the next three years (2008-2010) of the legislation signed by the Governor. Numbers shown in parenthesis, such as (100,000), represent a new cost to the respective fund. Positive numbers, such as 100,000, indicate a savings to the respective fund.

The information given on the following pages is based on information taken from the fiscal notes prepared for each bill by the Oversight Division, Committee on Legislative Research. Numbers do not include the appropriation bills. When the fiscal impact of a bill included a range, the higher figure for costs and losses, and the lower figure for income were used in calculating the fiscal impact. Actual costs may be higher or lower, depending on the actual appropriations. The totals listed for House and Senate bills do not include the unknown figures.

Detailed information on individual bills, including the fiscal note, can be obtained by contacting the Senate Appropriations Staff or accessing the Senate web page at www.senate.mo.gov and the House web page at www.house.mo.gov.

2007 REGULAR SESSION
TAFP SENATE BILLS
Fiscal Summary

| Bill No. | Other State Funds | General Revenue Funds | | | Other State Funds | | | Federal Funds | | | Local Funds | | | | |
|------------|---|----------------------------------|------------------------------------|------------------------------------|--------------------------|--------------------------|--------------------------|---------------|------|------|---------------------------------------|--------------------------------------|--------------------------------------|-----|--|
| | | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 | | |
| SB 3 | | (Unknown greater than \$100,000) | (Unknown greater than \$100,000) | (Unknown greater than \$100,000) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | Unknown to (Unknown) | Unknown to (Unknown) | Unknown to (Unknown) | | |
| SB 4 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| SB 16 | Blindness Education, Screening, and Treatment Program | (\$2,714) | (Unknown - Greater than \$599,987) | (Unknown - Greater than \$288,719) | \$0 | (Up to \$99,000) | (Up to \$99,000) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| SB 22 | Highway | (More than \$18,396,074) | (More than \$12,923,258) | (More than \$9,484,157) | (\$8,400 to Unknown) | (Unknown) | (Unknown) | \$0 | \$0 | \$0 | (Unknown) could exceed (\$11,704,396) | (Unknown) could exceed (\$8,526,742) | (Unknown) could exceed (\$6,289,000) | | |
| | School District Trust | | | | (\$5,945,500 to Unknown) | (\$4,290,000 to Unknown) | (\$3,144,500 to Unknown) | | | | | | | | |
| | Parks and Soil | | | | (\$594,550 to Unknown) | (\$429,000 to Unknown) | (\$314,450 to Unknown) | | | | | | | | |
| | Conservation | | | | (\$743,188 to Unknown) | (\$536,250 to Unknown) | (\$393,063 to Unknown) | | | | | | | | |
| | Road | | | | At least \$33,610,738 | \$26,805,250 | \$19,674,512 | | | | | | | | |
| SB 25 | | \$70,805 | \$85,000 | \$85,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| SB 30 | Conservation Comm. | (More than \$784,378) to Unknown | (More than \$861,617) to Unknown | (More than \$861,386) to Unknown | (Unknown) | (Unknown) | (Unknown) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | Parks and Soil | | | | (Unknown) | (Unknown) | (Unknown) | | | | | | | | |
| | Road | | | | (More than \$825,000) | (More than \$1,238,000) | (More than \$1,238,000) | | | | | | | | |
| | School District Trust | | | | (Unknown) | (Unknown) | (Unknown) | | | | | | | | |
| SB 46 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| SB 47 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| SB 54 | Solid Wast Mgt | (\$5,000) | (\$5,150) | (\$5,304) | \$0 | \$20,678 | \$20,678 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | Geologic Resources | | | | \$34,781 | \$19,020 | \$14,744 | | | | | | | | |
| | MO Land Reclamation | | | | \$136,000 | \$136,000 | \$136,000 | | | | | | | | |
| SB 62 & 41 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (More than \$100,000) to Unknown | (More than \$100,000) to Unknown | (More than \$100,000) to Unknown | | |
| SB 64 | | (\$15,000) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| SB 66 | Insurance Dedicated | \$311,530 | \$311,530 | \$311,530 | \$1,289,524 | \$1,254,274 | \$1,254,274 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | Insurance Examiners | | | | (\$1,780,171) | (\$1,780,171) | (\$1,780,171) | | | | | | | | |
| SB 81 | | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| SB 82 | Highway | (\$1,393) | (\$1,393) | (\$1,393) | (Less than \$197,938) | (Less than \$197,938) | (Less than \$197,938) | \$0 | \$0 | \$0 | (\$1,838) | (\$1,838) | (\$1,838) | | |
| | Motor Vehicle Comm. | | | | (\$4,527) | \$0 | \$0 | | | | | | | | |
| SB 84 | Criminal Records | \$0 or (\$16,600) | \$0 or (\$16,600) | \$0 or (\$16,600) | \$2,868,333 | \$3,442,000 | \$3,787,500 | \$0 | \$0 | \$0 | (\$288,305) | (\$348,563) | (\$408,821) | | |
| | MO Gaming Comm. | | | | (\$306,720) | (\$406,200) | (\$461,670) | | | | | | | | |
| SB 86 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| SB 91 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| SB 112 | | (\$14,650,703) | (\$14,650,703) | (\$14,650,703) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| SB 127 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| SB 162 | | (\$31,788) | (\$32,248) | (\$33,216) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| SB 163 | Basic Civil Legal Svcs | (\$71,842 to \$171,842) | (\$86,210 to \$186,210) | (\$86,210 to \$186,210) | (\$1,500,000) | (\$3,000,000) | (\$3,000,000) | \$0 | \$0 | \$0 | (\$35,542) | (\$42,650) | (\$42,650) | | |
| SB 166 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| SB 172 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$21,558 | \$25,869 | \$25,869 | | |
| SB 195 | Board for Healing Arts | \$0 | \$0 | \$0 | (\$3,224) | (\$390) | (\$390) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | Board of Pharmacy | | | | (\$16,675) | \$5,227 | (\$883) | | | | | | | | |
| SB 198 | | (Less than \$100,000) | (Less than \$100,000) | (Less than \$100,000) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| SB 215 | Economic Development Advancement | \$2,620 to \$9,427,620 | \$1,147 to \$9,426,147 | \$56 to \$9,425,056 | \$0 to \$200,000 | \$0 to \$200,000 | \$0 to \$200,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | Insurance Dedicated | | | | \$313,139 to \$1,275,639 | \$249,638 to \$1,212,138 | \$245,513 to \$1,208,013 | | | | | | | | |

2007 REGULAR SESSION
TAFP SENATE BILLS
Fiscal Summary

| Bill No. | Other State Funds | General Revenue Funds | | | Other State Funds | | | Federal Funds | | | Local Funds | | |
|--------------------|----------------------------------|--|---|--|------------------------|---------------------|---------------------|---------------|------------|------------|---------------------------------|---|---------------------------------|
| | | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 |
| SB 225 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 233 | | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 257 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 270 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 272 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 284 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (Unknown - More than \$100,000) | (Unknown - More than \$100,000) | (Unknown - More than \$100,000) |
| SB 288, 152, & 115 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 298 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 299 & 616 | MO Wine & Grape | \$234,166 | \$281,352 | \$189,465 | \$100,000 | \$120,000 | \$120,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 302 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 308 | Criminal Records | | | | \$0 | \$8,400 | \$256 | | | | | | |
| | Athletic | (\$14,173) | (Unknown less than \$112,902) | (Unknown less than \$111,691) | \$47,224 | \$24,894 | \$44,909 | \$0 | \$0 | \$0 | (Unknown) to Unknown | (Unknown) to Unknown | (Unknown) to Unknown |
| | PR Fees | | | | (\$110,763) | \$0 | \$0 | | | | | | |
| SB 320 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 322 | Capital Improvement | \$0 | \$0 | \$0 | \$330,000 | \$330,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Fac. Mgt. Revolving | \$0 | \$0 | \$0 | \$113,500 | \$113,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 339 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (Unknown) | (Unknown) | (Unknown) |
| SB 352 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 376 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 384 | Highway | \$0 | \$0 | \$0 | (\$110,676) | (\$55,338) | \$0 | \$0 | \$0 | \$0 | (\$31,324) | (\$15,662) to Unknown - Less than \$100,000 | Unknown - Less than \$100,000 |
| SB 389 | Lewis & Clark Discovery | (\$447,664 to | (\$258,182 to | (\$262,926 to | \$63,333,000 | \$23,333,000 | \$23,333,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Non-State MOHELA | \$1,447,664) | \$1,258,182) | \$1,262,926) | (\$63,333,000) | (\$23,333,000) | (\$23,333,000) | | | | | | |
| SB 397 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 406 | Non-State Funds - CERF | (Unknown greater than \$33,000) | (Unknown greater than \$146,000) | (Unknown greater than \$146,000) | (\$21,000) | (\$16,000) | (\$17,000) | \$0 | \$0 | \$0 | (\$1,021,554) | (\$1,225,865) | (\$1,225,865) |
| SB 407 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 416 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 418 | | (\$293,732) | (\$352,620) | (\$352,620) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 420 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 433 | War on Terror Unemployment Comp. | \$0 | \$0 | \$0 | \$557 | (\$413) | (\$547) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 456 | | (\$152,897) | (\$2,601) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$152,897 | \$2,601 | \$0 |
| SB 497 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | Unknown | Unknown | Unknown |
| SB 513 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 577 | Insurance Dedicated | (Unknown Greater than \$108,509,047 to Unknown Greater than \$109,759,047) | (Unknown Greater than \$110,607,055 to Unknown Greater than \$93,953,348) | (Unknown Greater than \$115,790,803 to Unknown Greater than \$120,858,428) | (\$36,922 to \$41,922) | (\$49,679) | (\$51,169) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 or (\$18,274) |
| SB 591 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SB 613 | | (\$12,546) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SCR 18 | Joint Contingent Fund | \$0 | \$0 | \$0 | (\$25,000) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTALS* | | (\$144,452,052) | (\$139,456,991) | (\$146,365,506) | \$33,900,180 | \$25,685,752 | \$18,451,618 | \$0 | \$0 | \$0 | (\$1,204,108) | (\$1,590,446) | (\$1,653,305) |

* Totals do not include unknown figures.

When fiscal note included a range, the higher figure for costs and/or losses, and the lower figure for income was used in calculating the fiscal impact.

2007 REGULAR SESSION
TAPP HOUSE BILLS
Fiscal Summary

| Bill No. | Other State Funds | General Revenue Fund | | | Other State Funds | | | Federal Funds | | | Local Funds | | |
|---|---|--|--|--|------------------------------------|------------------------------------|------------------------------------|---------------|------|------|------------------------------------|------------------------------------|------------------------------------|
| | | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 |
| HB 28 | Road Fund | \$0 | \$0 | \$0 | Unknown | Unknown | Unknown | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 41 | Criminal Records | (\$250,000) | (\$250,000) | (\$250,000) | \$2,868,333 | \$3,442,000 | \$3,787,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Various | | | | \$0 to (\$36,720) | \$0 to (\$36,720) | \$0 to (\$36,720) | | | | | | |
| HB 56 | Road Fund | \$0 | \$0 | \$0 | (\$4,400) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 62 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 75 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 98 | | (Up to \$115,000) | (Up to \$115,000) | (Up to \$115,000) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 134 | | (Up to \$1,119,600) | (Up to \$1,080,000) | (Up to \$1,080,000) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 181 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 182 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 184 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 205 | | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |
| HB 220 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 221 | Insurance Dedicated | \$0 | \$0 | \$0 | \$3,083 | (\$20,020) | (\$21,288) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 264 | State Public School | | | | Expected to be less than \$100,000 | Expected to be less than \$100,000 | Expected to be less than \$100,000 | \$0 | \$0 | \$0 | Expected to be less than \$100,000 | Expected to be less than \$100,000 | Expected to be less than \$100,000 |
| | State School Monies | \$0 | \$0 | \$0 | | | | | | | | | |
| HB 268 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 272 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 298 | MO Explosives Safety Act Administration | \$0 | \$0 | \$0 | \$12,685 to Unknown | \$5,674 to Unknown | \$1,489 to Unknown | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 327 VETOED | Road Fund | (More than \$1,582,294) could exceed | (More than \$1,613,665) could exceed | (More than \$1,636,388) could exceed | (More than \$5,902,502) | (More than \$3,525,000) | (More than \$3,548,000) | \$0 | \$0 | \$0 | \$941,714 to (Unknown) | \$1,834,000 to (Unknown) | \$1,857,000 to (Unknown) |
| | Various | (\$48,582,294) | (\$73,113,665) | (\$97,136,388) | (More than \$824,015) | (Unknown) | (Unknown) | | | | | | |
| HB 329 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 344 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 351 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 352 | Sheltered Workshop Per Diem Revolving | \$9,945 | (\$5,709,060) | (\$7,137,450) | (\$9,945) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$9,945) | \$5,709,060 | \$7,137,450 |
| HB 405 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 426 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 428 | State Fair Escrow | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 431 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 444, 217, 225, 239, 243, 297, 402, & 172 | | (More than \$18,594,889 to More than \$27,394,889) | (More than \$40,115,837 to More than \$48,915,837) | (More than \$62,728,311 to More than \$71,528,311) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 453 | | (\$31,188 to \$2,031,188) | (\$32,248 to \$2,032,248) | (\$33,216 to \$2,033,216) | | | | | | | | | |
| HB 459 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 461 | Water Patrol Fund | \$0 | \$0 | \$0 | (\$1,207,851) | (\$1,244,086) | (\$1,281,410) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 467 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 497 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 554 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 555 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 574 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 576 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 579 | State Legal Expense | \$0 | \$0 | \$0 | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 583 | Crime Victims Comp. | (\$236,782 to \$2,388,802) | (\$232,295 to \$2,892,192) | (\$240,419 to \$2,980,113) | (\$29,145 to \$2,181,165) | (\$36,023 to \$2,695,920) | (\$37,102 to \$2,776,796) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 616 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 619 & 118 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 654 & 938 | Veterans Commission Capital Improvement | (Less than \$100,000) | (Less than \$100,000) | (Less than \$100,000) | (\$250,000) | (\$250,000) | (\$250,000) | \$0 | \$0 | \$0 | \$0 | (Unknown) | (Unknown) |

| Bill No. | Other State Funds | General Revenue Fund | | | Other State Funds | | | Federal Funds | | | Local Funds | | |
|----------------|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------|------------------------------|------------------------------|--------------------------------|------------------------------|------------------------------|------------------|--------------------|--------------------|
| | | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 | 2008 | 2009 | 2010 |
| HB 678 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 680 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 684 | Special Employment Security | \$0 | \$0 | \$0 | (Unknown -Less than \$43,249) | \$0 | \$0 | (Unknown - Less than \$30,542) | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Insurance Administrative | | | | | | | | | | | | |
| HB 686 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 732 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 740 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 741 | | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 754 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 780 | Various Professional Registration Funds | (\$54,311) | (Unknown less than \$112,902) | (Unknown less than \$114,041) | (\$107,063) | \$215,901 | (\$70,043) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 791 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 795 | | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| HB 801 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 818 | All Other | (Unknown could exceed \$11,354,457) | (Unknown could exceed \$26,126,003) | (Unknown could exceed \$28,713,436) | (Unknown exceeding \$26,000) | (Unknown exceeding \$13,000) | (Unknown exceeding \$13,000) | (Unknown exceeding \$42,000) | (Unknown exceeding \$21,000) | (Unknown exceeding \$21,000) | \$0 | \$0 | \$0 |
| | Insurance Dedicated | | | | \$11,250 | \$7,250 | \$7,250 | | | | | | |
| HB 820 | | (More than \$100,000) | (More than \$100,000) | (More than \$100,000) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 948 & 674 | Public Health Services | (\$57,646 to \$376,833) | (\$48,923 to \$456,766) | (\$50,190to \$479,739) | \$0 | Unknown | Unknown | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 952 | | (Greater than \$422,369) | (Greater than \$417,508) | (Greater than \$424,034) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HB 1055 | | (Less than \$130,306) | (Less than \$136,797) | (Less than \$137,901) | | | | | | | | | |
| HJR 7 | | | | | | | | | | | | | |
| TOTALS* | | (\$34,473,353) | (\$62,205,408) | (\$86,365,764) | (\$7,640,995) | (\$4,106,595) | (\$4,189,507) | \$0 | \$0 | \$0 | (\$9,945) | \$5,709,060 | \$7,137,450 |

* Totals do not include unknown figures.

When fiscal note included a range, the higher figure for costs and/or losses, and the lower figure for income was used in calculating the fiscal impact.

Totals also do not include HB 327, which was vetoed by the Governor.

SB 577 (MO HealthNet)
Missouri Continuing Health Improvement Act of 2007

TICKET TO WORK PROGRAM - This act establishes the Ticket to Work Health Assurance Program, which is authorized by the federal Ticket to Work and Work Incentives Improvement Act.

This act allows MO HealthNet eligibility for an employed person who meets the definition of disabled, satisfies asset limits, and who has an annual gross income of 300 percent or less of the federal poverty level.

The asset limit for the new program is the same as that for the Medical Assistance – Permanently and Totally Disabled (MA-PTD) program, currently \$999.99 for a single person and \$2,000 for a couple with the standard exemptions. The available asset limit does not include medical savings accounts or independent living accounts. The individual must have a gross income of 300 percent or less of the federal poverty level. Individuals with gross income in excess of one hundred percent of the federal poverty level shall pay a specified monthly premium for participation. For income to qualify as earned income for the purposes of this program, the individual must demonstrate that Social Security and Medicare taxes are paid on the earnings.

If an individual's employer offers health insurance that is more cost effective, the individual shall participate in the employer-sponsored insurance. The Department of Social Services, however, will be responsible for costs associated with the employer insurance. Approximately 4,000 individuals will be eligible under the new Ticket to Work Program. There was approximately \$20.2 million added to the FY 2008 budget for the new program (GR \$7.6 and FED \$12.6).

MO HEALTHNET ELIGIBILITY AND SERVICES

DRUG COURT - Under this act, individuals who receive medical assistance due to the receipt of aid to families with dependent children, shall continue to be eligible for such assistance for sixty days despite having a child or children removed from their custody, if such person is a participant in a drug court program and upon federal approval by the Centers for Medicare and Medicaid Services.

EXTENSION OF SERVICES FOR FORMER FOSTER CARE CHILDREN - This act extends MO HealthNet coverage for foster care children from the age of 18 to 21 without regard to income or assets.

LONG-TERM CARE SERVICES - This act also provides that individuals with more than \$500,000 in home equity will no longer qualify for long-term care services under MO HealthNet.

Benefits for personal care services, when delivered in a residential care facility or assisted living facility shall be authorized on a four tier level based on the services the resident requires

and frequency of services. The rate paid to providers for each tier of service shall be subject to appropriations. Services provided by in-home providers to participants who are qualified for the aged and disabled waiver and/or personal care, shall be authorized on a tier-level basis on the services required, frequency of delivery, and time needed to perform tasks. The rate paid for services shall be set subject to appropriations.

OPTIONAL SERVICES - This act also allows for durable medical equipment, if medically necessary. An electronic web-based prior authorization system shall use best medical evidence and care and treatment. Hospice services are also reinstated as covered services. Both DME and Hospice services were included in the FY 2008 budget. DME = \$19.7 M (GR \$7.4 M + FED \$12.3 M) Hospice = \$39.6 M (GR \$15.2 M + FED \$24.4 M)

This act also reinstates dental and optometry services. Such services shall be subject to appropriations and shall be medically necessary. There was no funding added to the FY 2008 budget for dental services for adults. The FY 2008 budget does include funding that provides for an eye exam and glasses once every two years for adults.

REIMBURSEMENT RATES FOR MO HEALTHNET PROVIDERS - By January 1, 2008, the MO HealthNet Division shall report the status of MO HealthNet provider reimbursement rates as compared to one hundred percent of the Medicare reimbursement rate and compared to the average dental reimbursement rates paid by 3rd party payers in the state. The division shall also by that date provide to the General Assembly a four-year plan to achieve parity with Medicare reimbursement rates. By July 1, 2008, the division shall provide to the General Assembly a 4-year plan to achieve parity with Medicare rates and for third party payer average dental reimbursement rates. Such plan shall be subject to appropriation and the division shall include in its annual budget request to the governor the necessary funding needed to complete the 4-year plan developed under this subdivision. The FY 2008 budget includes \$66.1 M to increase the reimbursement rates for physician related services (GR \$25 M + FED \$ 41.1 M).

CO-PAYS - Beginning July 1, 2008, the division may require any participant receiving services to pay an additional payment for all covered services except for personal care services, mental health services, and CHIP services.

ASSISTED LIVING FACILITIES AS MO HEALTHNET PROVIDERS - This act adds assisted living facilities as well as residential care facilities to the list of qualified MO HealthNet personal care providers.

SHELTERED WORKSHOP INCOME - This act also provides that as to the permanent and totally disabled population, any income derived through certified extended employment at a sheltered workshop shall not be considered as income for determining Medicaid eligibility.

SOCIAL SECURITY COST OF LIVING INCREASE - Any social security cost-of-living increase at the beginning of any year shall be disregarded until the federal poverty level for such year is implemented.

PAY-FOR-PERFORMANCE - Subject to appropriations, this act requires pay for performance to be developed by the Pay for Performance Committee.

The committee shall be composed of 18 members, geographically balanced, including 9 physicians, one consumer advocate, and one patient advocate. The other members shall be persons actively engaged in hospital administration and nursing home administration. The MO HealthNet Division shall maintain the program to ensure quality, foster relationships between the patient and the provider, uses clinically relevant and evidence-based measures, which are statistically valid. The FY 2008 budget includes \$2.9 M to begin the development of such concept (GR \$1.1 M + FED \$1.8 M).

PREMIUM OFFSET PROGRAM - This act allows for the development of a premium offset pilot project to make standardized health insurance coverage available to qualified individuals. Subject to approval by the oversight committee, the MO HealthNet Division shall implement the program in two regions in the state, one in an urban area and one in a rural area. No employer shall participate in the pilot project for more than 5 years. The provisions of this pilot shall expire on June 30, 2011. The FY 2008 budget includes \$13.2 M for such pilot project (GR \$5 M + FED \$8.2 M).

THIRD PARTY LIABILITY AND ESTATE RECOVERY - This act modifies provisions relating to the MO HealthNet Division's authority to collect from third party payers. This act provides that in order for annuities not to be counted as income for purposes of MO HealthNet eligibility in a long-term care facility, the annuities must be in the name of spouse residing in long-term care facility. This act also provides for the ability of the MO HealthNet Division to obtain eligibility data from third party insurance carriers, health plans, pharmacy benefits managers, and third party administrators at least twice a year in a usable format. Also, this act provides for the recovery of medical assistance program payments made on behalf of the decedent from a decedent's estate.

PERSONAL CARE SERVICES CONTRACTS - Under this act, if a personal care contract is received as fair and valuable consideration in exchange for personal property, real property, cash or securities, such exchange shall not render an institutionalized individual ineligible for Medicaid based on an improper transfer of assets. A personal care contract is fair and valuable consideration when:

- There is a written agreement between the individual providing services and the individual receiving care, which specifies the type, frequency, and duration of the services to be provided that was signed and dated on or before the date, the services began;
- The services do not duplicate those, which another party is being paid to provide;
- The individual receiving the services has a documented need for the personal care services provided;
- The services are essential to avoid institutionalization of the individual receiving benefit of the services;
- Compensation for the services must be made at the time services are performed or within two months of the provision of the services; and
- The fair market value of the services provided prior to the month of institutionalization is equal to the fair market value of the assets exchanged for the services.

MO HEALTHNET BENEFICIARY EMPLOYER REPORTS - Requires the Department of Social Services to submit a Mo HealthNet beneficiary quarterly report to the governor and requires applicants for Mo HealthNet benefits to disclose their employer.

HEALTH INSURANCE FOR UNINSURED CHILDREN PROGRAM - Changes the eligibility requirement for the State Children's Health Insurance Program and specifies that the program will remain in effect only if the federal government appropriates funds.

Under current law, children who qualify for the health insurance for uninsured children program (MC+ for Kids) must lack access to affordable employer-sponsored health insurance. This act modifies the definition of "affordable employer-sponsored health insurance" as follows:

- for families with gross income above 150 percent to 185 percent of the federal poverty level, the health insurance should require a monthly premium of 3 percent of 150 percent of the federal poverty level for a family of three;

- for families with gross income above 185 percent to 225 percent of the federal poverty level, the health insurance should require a monthly premium of 4 percent of 185 percent of the federal poverty level for a family of three;

- for families with gross income above 225 percent and below 300 percent of the federal poverty level, the health insurance should require a monthly premium of 5 percent of 225 percent of the federal poverty level for a family of three. The FY 2008 budget includes approximately \$7.8 M for the change in the affordability test for the CHIP (GR \$2.1 M + FED \$5.7 M).

Approximately 9,200 new children will be eligible for coverage under the CHIP due to the above change.

In addition, health insurance plans that do not cover an eligible child's pre-existing condition shall not be considered "affordable employer-sponsored health care insurance." Also, if the child has exceeded the annual coverage limits for all health care services, the child is not considered insured and does not have access to affordable health insurance.

UNINSURED WOMEN'S HEALTH PROGRAM - This act requires revision of eligibility requirements for the uninsured women's health program to include women who are at least 18 years old and with a net family income of at or below 185 percent of the federal poverty level. Such women shall not have assets in excess of 250,000 dollars, nor shall they have access to employer-sponsored health insurance. Approximately 82,000 women will be eligible for the above services due to the change in SB 577 with a cost of \$2.6 M (GR \$1 M + FED \$1.6M).

TELEHEALTH - This act provides that the Department of Social Services shall promulgate rules governing the practice of telehealth in the MO HealthNet program. Telehealth providers shall be required to obtain patient consent before telehealth services are initiated and to ensure confidentiality of medical information.

LONG-TERM CARE PARTNERSHIP PROGRAM - This act establishes the Missouri Long-Term Care Partnership Program and provides that the Department of Social Services shall, in conjunction with the Department of Insurance, Financial Institutions and Professional

Registration, coordinate the program so that private insurance and MO Health Net funds shall be used to finance long-term care.

Under such a program, an individual may purchase a qualified long-term care partnership approved policy in accordance with the requirements of the Federal Deficit Reduction Act of 2005 to provide a mechanism for individuals to qualify for coverage of the cost of the individual's long-term care needs under Mo HealthNet without first being required to substantially exhaust his or her resources. Individuals seeking to qualify for MO HealthNet are permitted to retain assets equal to the dollar amount of qualified long-term care partnership insurance benefits received beyond the level of assets otherwise permitted to be retained under Mo HealthNet.

HEALTH IMPROVEMENT PLANS - The Department of Social Services shall, with the advice and approval of the MO HealthNet Oversight Committee, create health improvement plans for all participants in MO HealthNet. Such health improvement plans shall include but not be limited to, risk-bearing coordinated care plans, administrative services organizations, and coordinated fee-for-service plans. The development of the plans and enrollment into such plans shall begin July 2008 and be completed by July 2011. The contracts for such plans shall require that the contracted per diem rate be reduced or other financial penalty occur if the department does not meet the quality targets. Every participant shall be enrolled in a health improvement plan and have a health care home.

The department is also required to use a public process for the design, development, and implementation of health improvement plans. The department shall establish a sliding scale schedule of co-payments for hospital emergency room visits.

All health improvement plans are required to help participants remain in the least restrictive level of care possible, use domestic call centers and nursing help lines, report participant and provider satisfaction information annually. Additionally, for purposes of a request for proposal for the health improvement plans, there shall be such requests in at least six regions in the state, however, in no case shall there be a single state-wide contract.

This act establishes the MO HealthNet Oversight Committee, which will advise the department and study various aspects of the program including, but not limited to, satisfaction reports, pilot project results, and health risk assessment results. This committee shall also develop recommendations relating to the expenditure of funds appropriated to the healthcare technology fund. A subcommittee is established within the oversight committee to advise the department on the development of a comprehensive entry-point system for long-term care. The Joint Committee on MO HealthNet is also established to study the resources needed to continue improvements to the program.

HEALTH CARE TECHNOLOGY FUND - This act establishes the Healthcare Technology Fund, which shall be administered by the Department of Social Services.

Upon appropriation, moneys in the fund shall be used to promote technological advances to improve patient care, decrease administrative burdens, and increase patient and health care

provider satisfaction. Any programs or improvements on technology shall include encouragement and implementation of technologies intended to improve the safety, quality and costs of health care services in the state.

COMMITTEES AND STUDIES - Under this act, the Legislative Budget Office shall conduct an annual five-year rolling MO HealthNet budget forecast.

PRESCRIPTION DRUGS - This act specifies that the fee for service policies that prescribe psychotropic medications will not include any new limits to the initial access requirements.

SUNSET PROVISION - This act repeals the provision establishing the Medicaid Reform Commission and the June 30, 2008, expiration date for the current Medicaid system. This act also repeals the expiration date for the Health Care for Uninsured Children program and provides that the program shall be void and of no affect if there are no funds appropriated by Congress to be provided to Missouri. This act also extends the sunset date for the consumer-directed personal care assistance services program for non-Medicaid eligible clients from June 30,2008 to June 30, 2019.

SB 389 (2007)

SB 389 passed by the 94th General Assembly, First Regular Session modifies several provisions relating to the state's higher education system including the Missouri Higher Education Loan Authority, funding, scholarships, Coordinating Board governance, and other higher education topics.

MOHELA and the Lewis and Clark Discovery Initiative

SB 389 grants the Missouri Higher Education Loan Authority (MoHELA) the ability to transfer assets of the authority to the newly created Lewis and Clark Discovery Fund and requires MoHELA to distribute \$350 million of assets of the authority to the fund not later than September 30, 2013. (Sections 173.355-173.425) Moneys in the fund may be appropriated by the general assembly but only for the purpose of funding for capital projects at public colleges and universities and funding technology commercialization through the Missouri Technology Corporation (MTC). The act explicitly prohibits using proceeds of the authority for the payment of debts. A related appropriation bill (HB 16) appropriated the moneys in the fund to the various colleges and universities and the MTC. Any college or university that knowingly employs a registered sex offender shall be ineligible for funds for capital projects.

Once MoHELA makes an initial distribution of \$230 million to the fund, the Department of Economic Development shall allocate 1 1/2% less than the average percentage of the authority's allocation of state ceiling for calendar years 05 and 06 of the state ceiling for private activity bonds to MoHELA for at least the next 15 years. The act does provide a clawback provision if MoHELA fails to complete its total distribution of assets.

The act grants MoHELA the power to issue bonds in order to fulfill its obligations regarding the transfer of assets to the fund and allows MoHELA to create or invest in financial aid programs that provide grants and scholarships to students. The act also provides immunity from personal liability for members of MoHELA who act or vote on any contract authorized by the bill.

Higher Education Funding

SB 389 establishes new limits on potential tuition increases for public institutions. (Sections 173.1000-173.1006) Beginning with the 2008-2009 academic year, each public institution must submit its annual percentage increase in tuition for full-time resident undergraduates to the Coordinating Board by July 1. Institutions whose tuition is greater than the average cannot increase tuition more than the consumer price index over the past year or zero, whichever is greater. For institutions whose tuition is less than the average, tuition cannot increase more than the average tuition times zero or times the percent change in the consumer price index, whichever is greater.

If the tuition increase exceeds these limits, the institution must remit to the Coordinating Board an amount equal to 5% of its current year state appropriation, which shall be deposited into the general revenue fund, unless the institution is granted a waiver by the Commissioner of Higher Education or the Coordinating Board. The provisions of this section regarding tuition increases do not apply to a community college unless the college's tuition is greater than or equal to the average public institution tuition.

The Coordinating Board shall ensure that each public higher education institution makes pertinent information regarding course offerings and instructors available on its Internet website. The act also requires the development of institution-specific and state-wide performance measures by July 1, 2008.

Scholarships

The act creates a new need-based financial assistance programs known as the Access Missouri Financial Assistance Program. (Sections 173.1101 - 173.1108) Changes in such family contribution or other assistance received by the student may increase or decrease the amount of assistance to an applicant. In order to renew assistance, the applicant must demonstrate a grade point average of 2.5 on a 4.0 scale. The maximum and minimum amounts of awards depend on the type of school: \$300 to \$1,000 for public two-year institutions; \$1,000 to \$2,150 for public four-year institutions; and \$2,000 to \$4,600 for private institutions. The award amounts shall be adjusted every three years based on the consumer price index. The Access Missouri program replaces the Gallagher Student Financial Assistance Program and the College Guarantee Program, which are repealed by SB 389. (Sections 173.200 to 173.230, 173.810 to 173.830 and 313.835) Any award of assistance, excluding student loans and awards based solely on academic performance, shall be reduced to ensure that no student receiving state need-based financial assistance shall receive more than the student's cost of attendance. (Section 173.093)

The act also increases the amount of the "Bright Flight" scholarships from \$2,000 to \$3,000 beginning with fiscal year 2011. (Section 173.250) Previously, only students with test scores in the top three percent of certain standardized tests qualify for the scholarship. Beginning with fiscal year 2011, students with test scores between the top five percent and the top three percent qualify for a scholarship of \$1,000.

The act creates the Missouri Teaching Fellows Program. (Sections 168.700-168.102) The program provides educational loan repayment for qualified graduates of Missouri public higher education institutions who are hired to teach in unaccredited school districts. For each of the first four years that an applicant teaches in a qualifying district, up to one-fourth of the applicant's educational loans shall be repaid, not to exceed \$5,000 per year. For students without educational loans, a stipend of up to \$5,000 may be issued. At the conclusion of the fifth academic year that an applicant teaches in a qualifying district, an amount equal to \$1,000 shall be granted to the applicant.

Governance

The act modifies the responsibilities of the Joint Committee on Education. (Section 160.254) It requires the Committee to meet at least twice a year. The Committee is charged with monitoring, studying, and analyzing the higher education system in the state, as well as monitoring the establishment of performance measures required by this act and reporting on such measures to the General Assembly and the Governor. Within three years, the Committee shall review the impact of the newly created higher education funding act and review a new model for the funding of higher education institutions.

The act establishes a means of penalizing institutions disregarding Coordinating Board policy. (Section 173.005.1(5)) If an institution willfully disregards a Board policy,

the Commissioner may order the institution to remit a fine not to exceed one percent of the institution's current state appropriation to the Board. The Board shall hold the funds until the violation is corrected for up to one year. If it is not corrected by one year's time, the fine amount shall be deposited into the general revenue fund. The institution may appeal to the full Coordinating Board, which shall make a binding and final decision.

The act requires that every public institution of higher education submit to binding dispute resolution with regard to disputes among institutions of higher education that involve jurisdictional boundaries or the use or expenditure of any state resources, as determined by the Coordinating Board. (Section 173.125) In all cases, the arbitrator shall be the Commissioner of Higher Education or a designee, whose decision shall be binding on all parties. Any institution aggrieved by a decision of the commissioner may appeal the decision to the full Coordinating Board, which shall have the authority to make a binding and final decision regarding the matter.

Other

- Allows an individual who has an undergraduate degree and at least eight years of service in the General Assembly to be eligible for a faculty position at a public college or university. (Section 173.475)
- Authorizes the board of regents of Northwest Missouri State University to convey property owned in Nodaway County. (Section 1)
- Authorizes the curators of the University of Missouri to close certain financial, legal and tax records of a donor or potential donor. (Section 172.950)
- Directs the Coordinating Board for Higher Education to establish policies and agreed-upon competencies for certain entry-level courses to ensure that such courses are accepted in transfers among public institutions. (Section 173.005.1(7))
- Requires the Coordinating Board to hold out-of-state public higher education institutions to criteria similar to those required of public in-state higher education institutions in order for such institutions to operate within this state. (Section 173.005.2(11) & 173.616)

**HOUSE BILL 16 (FY 07 SUPPLEMENTAL) AND
HOUSE BILL 17 (FY 08 REAPPROPRIATIONS)**

Senate Bill 389 (2007) authorizes the Missouri Office of Higher Education Loan Authority (MOHELA) to sell a portion of their assets and allow them to give the money to the State of Missouri for financing capital improvement and maintenance and repair projects for institutions of higher education. HB 16 (2007) was a supplemental appropriations bill introduced by the Governor with appropriations financed by the proceeds of the sale of MOHELA loans, scholarship funds for higher education, and funds for healthcare. Proceeds from the sale of MOHELA loans are to be deposited into the Lewis and Clark Discovery Fund, and higher education projects are to be funded from that fund. The following list is the Truly Agreed to and Finally Passed version of items in HB 16.

| | |
|---|---------------------|
| Charles E. Gallagher Grant Program | \$16,666,667 GR |
| Missouri College Guarantee Program | \$8,333,333 Lottery |
| Primary Care Resource Initiative Program and Area Health Education Centers | \$3,400,000 GR |
| Federally Qualified Health Care Centers | \$60,000,000 GR* |
| University of Central Missouri – Morrow & Garrison building | \$13,229,000 LCD* |
| Harris-Stowe State University – early childhood education center | \$15,726,000 LCD* |
| Lincoln University – Jason Hall | \$2,974,000 LCD* |
| Linn State Technical College – new heavy equipment facility | \$5,000,000 LCD* |
| Missouri Southern State University – health sciences building | \$18,976,000 LCD* |
| Missouri State University – facilities reutilization plan | \$29,704,000 LCD* |
| Missouri State University – business incubator | \$5,000,000 LCD* |
| Missouri Western State University – Agenstein Science & Math | \$30,115,000 LCD* |
| Northwest Missouri State University – center for plant biologics | \$24,400,000 LCD* |
| Southeast Missouri State University – dental hygiene clinic | \$173,000 LCD* |
| Southeast Missouri State University – business incubator | \$4,500,000 LCD* |
| Southeast Missouri State University – River Campus | \$17,200,000 LCD* |
| Southeast Missouri State University – autism center | \$2,638,000 LCD* |
| Truman State University – Pershing building | \$21,558,000 LCD* |
| University of Missouri – plant science research facility in Mexico | \$5,000,000 LCD* |
| University of Missouri – Greenley Learning & Discovery Park | \$2,000,000 LCD* |
| University of Missouri – Delta Research Center | \$2,000,000 LCD* |
| University of Missouri – outreach/education center in Lawrence | \$3,300,000 LCD* |
| University of Missouri – meeting/education center in Atchison/Holt | \$600,000 LCD* |
| University of Missouri – agroforestry education in Howard County | \$3,231,000 LCD* |
| University of Missouri – learning discovery center in Gentry County | \$350,000 LCD* |
| University of Missouri – building/meeting room Grundy County | \$725,000 LCD* |
| University of Missouri – meeting/education facility in Crawford | \$600,000 LCD* |
| University of Missouri – biomedical swine facility in Boone County | \$2,630,000 LCD* |
| University of Missouri – swine research facility in Callaway County | \$600,000 LCD* |
| University of Missouri Kansas City – dental school equipment | \$3,400,000 LCD* |

| | |
|---|-------------------|
| University of Missouri Rolla – mechanical engineering building | \$15,000,000 LCD* |
| University of Missouri St. Louis – Benton & Stadler Halls | \$28,500,000 LCD* |
| All Community Colleges – each receive \$2,000,000 | \$24,000,000 LCD* |
| Community Colleges – compete for funds for maintenance & repair | \$6,000,000 LCD* |
| Missouri Technology Corporation | \$15,000,000 LCD* |

Items marked with a * indicate that they were reappropriated in HB 17 (2007, FY 08-09). These appropriations could not be expended by the end of Fiscal Year 2007 so must be reappropriated in order to be spent in the following fiscal years.

HB 444
Income Tax

Social Security Deduction

Beginning January 1, 2007, this bill authorizes an income tax deduction to be phased in over six years for Social Security benefits, Social Security disability benefits, and benefits received from a nonprivate retirement system for individuals 62 years of age or older. For 2007, a taxpayer can deduct 20% of his or her Social Security benefits; for 2008, 35%; for 2009, 50%; for 2010, 65%; for 2011, 80%; and for 2012 and thereafter, 100%. A single taxpayer with an adjusted gross income of \$85,000 or less or a married taxpayer filing a combined return with an adjusted gross income of \$100,000 or less will qualify for the maximum deduction. If a taxpayer's adjusted gross income exceeds the income amount, the deduction will be decreased by \$1 for every dollar in excess of the maximum. If a taxpayer receives both Social Security benefits and public retirement benefits, the maximum deduction for the publicly funded retirement benefits will be decreased by \$1 for every dollar of Social Security benefits received by the taxpayer if the benefits are not included in his or her Missouri adjusted gross income. The maximum deduction for the publicly funded retirement benefits is limited to the maximum Social Security benefits available for the tax year less any Social Security benefits not taxable to Missouri.

Out of State Property Tax

A nonresident individual is required to add back to his or her federal adjusted gross income the amount of any property taxes paid to another state that is deducted on his or her federal tax return to determine his or her Missouri taxable income.

Qualified Health Insurance Premium Deduction

The bill also authorizes an income tax deduction for 100% of the qualified health insurance premiums paid by the taxpayer for the taxpayer, taxpayer's spouse, and taxpayer's dependents if the premiums are not already deducted from the taxpayer's federal taxable income. A checkoff box will be added to the Missouri income tax return for a contribution to the After-school Retreat Reading and Assessment Grant Program Fund.

The provisions of the bill will expire six years from the effective date.

Section V

**TOPICS
OF
INTEREST**

Cap on Highway Fund Appropriations To Non-Highway Agencies

Legislation (SB 135, 63) authorizing a 4-cent motor fuel tax increase effective July 1, 1987, established a cap on expenditures from the Highway Fund by other non-highway agencies (§226.200 (3) RSMo). The cap was set at the FY 87 expenditure level and was approximately \$119.6 million. The bill required that when expenditures from the Highway Fund exceeded the cap, the fund must be reimbursed from General Revenue the next fiscal year.

The motor fuel tax increased to six cents in 1992 with the passage of HB 1247, in which the fixed ceiling of \$119.6 million was changed to a flexible ceiling (§142.372 RSMo). Therefore, the growth in funds allocated to non-highway agencies could increase by the same percentage as the overall increase in state highway revenue sources.

During the 2000 legislative session, the passage of House Bill 1742, re-established a fixed cap (§ 226.200 RSMo). This action will require the reimbursement of General Revenue funds to the Highway Fund when expenditures exceed the FY 01 level of expenditures.

During the 2002 legislative session, the passage of House Bill 1196 provides for the removal of the cap beginning in fiscal year 2004 for the Mo. State Highway Patrol for enforcement related activities, and actual costs incurred by the Office of Administration for or on behalf of the Patrol and employees within the Department of Transportation. In addition, beginning in fiscal year 2008, any activities of the Patrol that are not related to the enforcement of laws pertaining to motor vehicle and usage of the highways shall be supported with general revenue, or other applicable funding sources. This legislation also maintains a cap, which is set at the fiscal year 2001 level for the Department of Revenue, and other non-highway related agencies that are currently authorized to receive funding support from the State Highways and Transportation Department Fund.

The Department of Public Safety and Department of Revenue utilize a significant portion of Highway Fund revenue allocated for non-highway related purposes. The Department of Public Safety is compensated for patrolling the state's highways. Likewise, the Department of Revenue is compensated for implementing state motor vehicle and driver statutes. Other agencies receive Highway Fund revenue for work that relates to the state's highway system.

In 2004 Article IV, Sections 30(a), 30(b), 30(c), and 30(d) were amended such that:

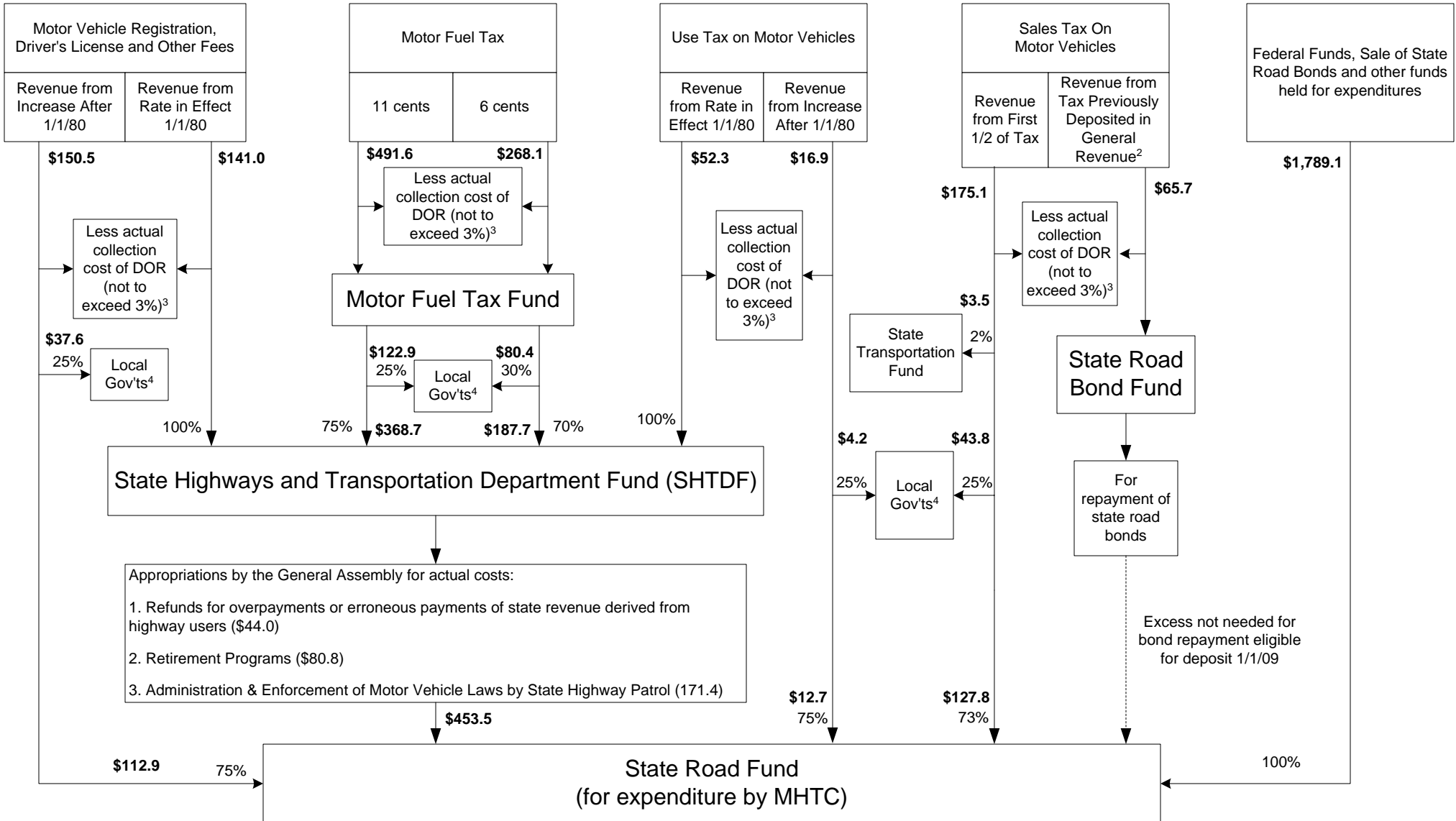
- Cap the Department of Revenue's cost of collection at actual cost not to exceed 3% of the amount of highway funds collected.
- Cap the Highway Patrol's use of highway funds to actual costs of administering and enforcing any state motor vehicle laws and traffic regulations.
- Redirects the 50% of the motor vehicle sales tax that goes to general revenue to the State Road Bond Fund over a four-year period beginning July 1, 2005.

Fiscal Year 2007 Amounts¹
(Millions of Dollars)

MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION (MHTC)

Road and Bridge Funding - Summary

(Effective 7/1/2006)



¹ Amounts derived from deposits to MoDOT funds

² Phased in 25% beginning 7/1/05; 50% beginning 7/1/06; 75% beginning 7/1/07; 100% beginning 7/1/08

³ Actual collection costs for DOR (\$17.0 million) are currently being appropriated from the SHTDF instead of removed prior to distribution

⁴ Local Gov'ts are defined as counties and incorporated cities, towns and villages within the state

COURT ORDERED DESEGREGATION AGREEMENT FISCAL YEAR 2008

Certain state payments formerly made to the Kansas City and St. Louis school districts under court order have been reallocated pursuant to the provisions of SB 781 (1998), Section 162.1060 RSMo, and the terms of the 1999 settlement agreement in the St. Louis Desegregation case (Liddell v. the Board of Education of St. Louis City). In prior years, the state was required to expend moneys in order to improve the quality of education in St. Louis and Kansas City, in order to comply with the orders of U.S. District Courts for Eastern and Western Missouri. Prior to 1993, desegregation payments were made pursuant to federal court order and were not appropriated. Subsequently, these payments have been appropriated to the Department of Elementary and Secondary Education.

The 1999 settlement agreement provides for \$180 million in capital to be paid to the St. Louis Public Schools beginning in FY 2000. Payments are to be made as follows:

| | | | |
|--------------|----------------|---------------------|-----------------------|
| July 1, 1999 | \$28.5 million | July 1, 2005 | \$13.0 million |
| July 1, 2000 | \$25.0 million | July 1, 2006 | \$12.0 million |
| July 1, 2001 | \$20.0 million | July 1, 2007 | \$11.0 million |
| July 1, 2002 | \$20.0 million | July 1, 2008 | \$10.0 million |
| July 1, 2003 | \$16.5 million | July 1, 2009 | \$9.0 million |
| July 1, 2004 | \$15.0 million | | |

A total of \$50 million was paid to the Voluntary Inter-District Choice Corporation in two payments. The first payment was made in fiscal year 2000 and the second payment in fiscal year 2001.

Listed below, are the expenditures of the St. Louis Desegregation Plan and the Kansas City Desegregation Plan that were mandated by court order. The following information is as of June 30, 2007.

St. Louis Desegregation Plan

| <u>Fiscal Year</u> | <u>Appropriation</u> | <u>Expenditure</u> | <u>Lapse</u> |
|--------------------|----------------------|--------------------|--------------|
| 2007 | \$12,000,000 | \$12,000,000 | 0 |
| 2006 | \$13,000,000 | \$13,000,000 | 0 |
| 2005 | \$15,000,000 | \$15,000,000 | 0 |
| 2004 | 16,500,000 | 16,500,000 | 0 |
| 2003 | 20,000,000 | 20,000,000 | 0 |
| 2002 | 20,000,000 | 20,000,000 | 0 |
| 2001 | 50,000,000 | 50,000,000 | 0 |
| 2000 | 53,500,000 | 53,476,585 | 23,415 |
| 1999 | 191,862,972 | 188,799,736 | 3,063,236 |
| 1998 | 158,800,000 | 147,021,949 | 11,778,051 |
| 1997 | 151,700,000 | 138,086,852 | 13,613,148 |
| 1996 | 153,700,000 | 148,291,471 | 5,408,529 |
| 1995 | 155,700,000 | 139,258,397 | 16,441,603 |
| 1994 | 147,600,000 | 134,202,695 | 13,397,305 |
| 1993 | 147,100,000 | 136,028,438 | 11,071,562 |
| 1992 | 144,600,000 | 137,189,737 | 7,410,263 |
| 1991 | 135,200,000 | 132,695,771 | 2,504,229 |
| 1981-1990 | 674,980,490 | 616,269,820 | 58,710,670 |

Kansas City Desegregation Plan

| <u>Fiscal Year</u> | <u>Appropriation</u> | <u>Expenditure</u> | <u>Lapse</u> |
|--------------------|----------------------|--------------------|--------------|
| 1999 | \$ 99,000,000 | \$ 97,532,435 | \$ 1,467,565 |
| 1998 | 132,737,856 | 132,737,852 | 4 |
| 1997 | 110,300,000 | 89,042,565 | 21,257,435 |
| 1996 | 168,200,000 | 125,591,973 | 42,608,027 |
| 1995 | 203,200,000 | 175,045,453 | 28,154,547 |
| 1994 | 196,850,000 | 143,290,085 | 53,559,915 |
| 1993 | 209,600,000 | 139,789,109 | 69,810,891 |
| 1992 | 191,400,000 | 159,334,336 | 32,065,664 |
| 1991 | 157,900,000 | 141,063,712 | 16,836,288 |
| 1986-1990 | 376,760,000 | 331,555,932 | 45,204,068 |

SOURCE: State of Missouri, Appropriation Activity Report

The fiscal year 1998 Kansas City Desegregation figures reflect moneys that were placed in escrow during fiscal year 1997 but not applied until fiscal year 1998.

RECENT LITIGATION

The St. Louis City School District has also filed suit claiming that the amount of funding appropriated through the foundation formula in FY 2003 and FY 2004 are below the minimum levels provided for the settlement agreement. On June 23, 2006, the Circuit Court of St. Louis County issued a decision finding that the State of Missouri has complied with its payment obligations under the St. Louis Desegregation Settlement Agreement. The district appealed the Circuit Court's decision to the Court of Appeals, which upheld the Circuit Court's ruling. On July 26, 2007 the district filed an application for transfer to the Missouri Supreme Court.

STATE EMPLOYEE PAY PLAN HISTORY FY 1980 – FY 2008

The pay plan is created by the Personnel Advisory Board (PAB) and reviewed by the Ad Hock Task Force on Total Compensation. The task force recommendations are integrated into a final plan the PAB submits to the Governor's office and to Budget and Planning. The Governor makes a final recommendation to be reviewed by the legislature.

| Fiscal Year | Date Implemented | Description | Positions Under Salary Commission |
|--------------------|-------------------------|--|--|
| FY 2008 | July 1, 2007 | 3% COLA for all state employees Exceptions <ul style="list-style-type: none"> • Water Patrol received remaining portion to raise Salaries to equal that of Missouri State Highway Patrol | Judges, Statewide Elected Officials, and Administrative Law Judges - \$1,200 plus 4% plus any increase in salary for state employees plus an additional \$2,000 for Associate Circuit Judges. No pay raise for General Assembly. |
| FY 2007 | July 1, 2006 | 4% COLA for all state employees Exceptions <ul style="list-style-type: none"> • An additional 4% (1 range) for Corrections Officers/Supervisors, Capitol Police officers, Park Rangers, Water Patrol officers, Liquor Control agents, and Fire Investigators • An additional 4-8% for Public Defenders • An additional 8% (2 ranges) for those classified as nurses • Missouri State Highway Patrol pay plan, year three of three year phase in • Water Patrol received first year of three year phase in to raise salaries to equal that of Missouri State Highway Patrol | NONE |
| FY 2006 | July 1, 2005 | No pay plan was offered Exception <ul style="list-style-type: none"> • Missouri State Highway Patrol pay plan, year two of three year phase in | NONE |
| FY 2005 | July 1, 2004 | \$1,200/year beginning July 1, 2004 for all employees Exceptions <ul style="list-style-type: none"> • No salary increases beyond \$1,200 for Probation and Parole employees who had received salary increases in December 2003 • Missouri State Highway Patrol pay plan to address recruitment and retention, year one of a three year phase in | NONE |

| Fiscal Year | Date Implemented | Description | Positions Under Salary Commission |
|--------------------|-------------------------|---|--|
| FY 2004 | July 1, 2003 | \$600/year beginning July 1, 2003 for employees with an annual salary not greater than \$40,000 | NONE |
| FY 2003 | July 1, 2002 | No pay plan was offered | NONE |
| FY 2002 | July 1, 2001 | No pay plan was offered | NONE |

Exceptions

- 2% Increase for those classified as direct care staff working in State Habilitation Centers (Department of Mental Health) and for those classified as Psychiatric Aides I and II in State Mental Hospitals
- Repositioning of those from ranges 3 and 4 to range 5 (Referred to as Basic Living Wage Reposition) Typical job titles include: Laundry, Janitorial, Custodial, and Food Service Worker

| | | | |
|---------|--------------|--|--|
| FY 2001 | July 1, 2000 | \$600/year beginning July 1, 2000 1 step within grade (2%) July 1, 2000 \$420/year beginning January 1, 2001 | Judges - \$3,000 per year July 1, 2000 Elected Officials, General Assembly – \$300/year July 1, 2000 1 step within grade (1%) July 1, 2000 \$210/year January 1, 2001 |
|---------|--------------|--|--|

Exceptions

- Department of Social Services frontline positions (Social Service Worker I & II, Caseworker, Self-Sufficiency Casemanager, Social Service Supervisor and Income Maintenance Supervisor) requiring a college degree or equivalent experience will receive a one range repositioning (approximately 4% increase) in lieu of the 1 step within grade and will receive the \$600 and \$420 COLAS.
- Veteran's home' nursing aides will receive the general pay plan with adjustments to equalize the starting salary for Nursing Aide I's to be \$16,716 and to equalize the starting salary of Nursing Aide II's to be \$19,104.
- Water Patrol Officers will receive a one range repositioning (approximately 4% increase) in lieu of the 1 step within grade and will receive the \$600 and \$420 COLAS.
- Highway Patrol Officers will receive the state pay plan plus varying adjustments to create their own pay grid.

| | | | |
|---------|--------------|---|---|
| FY 2000 | July 1, 1999 | 1% COLA Up to 2 step within grade (about 4%) | Judges – Salary based on Salary Commission Recommendation General Assembly – 5% Elected Officials – 5% - except Lt. Gov. which was based on Commission recommendation |
|---------|--------------|---|---|

| Fiscal Year | Date Implemented | Description | Positions Under Salary Commission |
|--------------------|-------------------------|--|---|
| FY 2000 cont. | | | ALL INCREASES WERE INITIALLY VETOED, but fully funded Commission recommendation in supplemental appropriation |
| FY 1999 | July 1, 1998 | 1% COLA Up to 2 step within grade (about 4%) | 5% |
| | | \$10 per month flexible benefit | SAME |
| *FY 1998 | July 1, 1997 | 1% COLA Up to 2 step within grade (about 4%) | Judges, Elected Officials, General Assembly - 2.9% |
| | Jan. 1, 1998 | \$10 per month flexible benefit | SAME |
| FY 1997 | July 1, 1996 | 2% COLA Up to 2 step within grade (about 4%) | N/A |
| FY 1996 | July 1, 1995 | 2% COLA for all employees, plus 2% within grade for 93% of all employees. | N/A |
| | Jan. 1, 1996 | \$25 State match for those employees in the Deferred Compensation Plan. | |
| FY 1995 | July 1, 1994 | 3% plus \$200 COLA | N/A |
| FY 1994 | July 1, 1993 | 1% plus \$400 COLA \$360 additional health insurance contribution | N/A |
| FY 1993 | | No pay plan was offered or approved. | N/A |
| FY 1992 | | No pay plan was offered or approved. | N/A |
| FY 1991 | July 1, 1990 | 2% within grade adjustment for 88.7% of all employees. | N/A |
| FY 1990 | July 1, 1989 | 2.2% COLA for all employees plus an approximate 2% within grade for 93% for all employees. | N/A |
| | July 1, 1990 | 2% Within grade adjustment for 88.7% of all employees. | |
| FY 1989 | July 1, 1988 | \$360 per FTE | N/A |
| FY 1988 | July 1, 1987 | 3% COLA plus \$240 additional health insurance contribution per FTE | N/A |

| Fiscal Year | Date Implemented | Description | Positions Under Salary Commission |
|--------------------|-------------------------|--|--|
| FY 1987 | July 1, 1986 | \$840 per year per employee and salary adjustments on a very limited exception basis. The Governor reduced to \$720 per year per employee and deleted entirely for top officials (elected officials, department directors, etc.) | N/A |
| FY 1986 | July 1, 1985 | 8% COLA and salary adjustments for selected classes | N/A |
| FY 1985 | July 1, 1984 | 7% COLA and salary adjustments for selected classes | N/A |
| FY 1984 | July 1, 1983 | \$240 per year per employee plus \$120 year additional health insurance benefits. Salary adjustments for selected classes. | N/A |
| FY 1983 | July 1, 1982 | \$600 plus 1% COLA and 1% merit plus \$240 additional health insurance benefits. Salary adjustments for selected classes. | N/A |
| FY 1982 | July 1, 1981 | \$360 per FTE, vetoed by Governor | N/A |
| FY 1981 | July 1, 1980 | 7.5% COLA and 1.5% merit salary adjustments for selected classes. | N/A |
| FY 1980 | July 1, 1979 | 6% COLA and 1% merit. Salary adjustments for selected classes were voted by the Governor. | |

*FY 1998 was the first year that the Salary Commission made a recommendation. Previously, Elected Officials, Judges, and the General Assembly received pay increases equal to that of state employees.

WHERE DOES MISSOURI RANK?

| Per Capita Personal Income National Per Capita = \$36,276 2006 | | | Per Capita State Tax Revenue National Per Capita = \$2,359 2006 | | | Per Capita State Expenditures National Per Capita = \$4,911 2005 | | |
|--|----------------|------------|---|----------------|------------|--|----------------|------------|
| Rank | State | Per Capita | Rank | State | Per Capita | Rank | State | Per Capita |
| 1 | Connecticut | \$49,852 | 1 | Wyoming | \$4,121 | 1 | Alaska | \$12,023 |
| 2 | New Jersey | \$46,344 | 2 | Vermont | \$3,857 | 2 | Wyoming | \$7,767 |
| 3 | Massachusetts | \$45,877 | 3 | Hawaii | \$3,826 | 3 | Vermont | \$7,110 |
| 4 | Maryland | \$44,077 | 4 | Alaska | \$3,708 | 4 | New York | \$7,085 |
| 5 | New York | \$42,392 | 5 | Connecticut | \$3,461 | 5 | Delaware | \$6,918 |
| 6 | Wyoming | \$40,676 | 6 | Minnesota | \$3,354 | 6 | Hawaii | \$6,539 |
| 7 | New Hampshire | \$39,311 | 7 | Delaware | \$3,352 | 7 | New Mexico | \$6,446 |
| 8 | Colorado | \$39,186 | 8 | California | \$3,054 | 8 | Rhode Island | \$6,326 |
| 9 | Virginia | \$39,173 | 9 | Massachusetts | \$3,013 | 9 | Massachusetts | \$5,907 |
| 10 | Delaware | \$39,022 | 10 | New Jersey | \$2,848 | 10 | Minnesota | \$5,839 |
| 11 | California | \$38,956 | 11 | New York | \$2,825 | 11 | Connecticut | \$5,764 |
| 12 | Minnesota | \$38,712 | 12 | Maine | \$2,717 | 12 | California | \$5,754 |
| 13 | Illinois | \$38,215 | 13 | New Mexico | \$2,615 | 13 | Maine | \$5,663 |
| 14 | Washington | \$37,423 | 14 | Maryland | \$2,591 | 14 | New Jersey | \$5,643 |
| 15 | Rhode Island | \$37,388 | 15 | Rhode Island | \$2,568 | 15 | North Dakota | \$5,490 |
| 16 | Alaska | \$37,271 | 16 | Washington | \$2,566 | 16 | West Virginia | \$5,404 |
| 17 | Nevada | \$37,089 | 17 | North Dakota | \$2,551 | 17 | Ohio | \$5,276 |
| 18 | Pennsylvania | \$36,680 | 18 | West Virginia | \$2,507 | 18 | South Carolina | \$5,255 |
| 19 | Hawaii | \$36,299 | 19 | Wisconsin | \$2,483 | 19 | Oregon | \$5,193 |
| 20 | Florida | \$35,798 | 20 | Arkansas | \$2,476 | 20 | Wisconsin | \$5,188 |
| 21 | Kansas | \$34,743 | 21 | Nevada | \$2,466 | 21 | Washington | \$5,169 |
| 22 | Wisconsin | \$34,701 | 22 | Kentucky | \$2,366 | 22 | Michigan | \$5,092 |
| 23 | Nebraska | \$34,397 | 23 | Michigan | \$2,349 | 23 | Montana | \$5,081 |
| 24 | Vermont | \$34,264 | 24 | Pennsylvania | \$2,335 | 24 | Mississippi | \$5,052 |
| 25 | Texas | \$34,257 | 25 | North Carolina | \$2,326 | 25 | Pennsylvania | \$5,051 |
| 26 | South Dakota | \$33,929 | 26 | Kansas | \$2,270 | 26 | Louisiana | \$4,991 |
| 27 | Michigan | \$33,847 | 27 | Montana | \$2,251 | 27 | Arkansas | \$4,851 |
| 28 | Oregon | \$33,666 | 28 | Louisiana | \$2,251 | 28 | Kentucky | \$4,777 |
| 29 | Ohio | \$33,338 | 29 | Virginia | \$2,249 | 29 | Maryland | \$4,773 |
| 30 | Iowa | \$33,236 | 30 | Nebraska | \$2,240 | 30 | Iowa | \$4,743 |
| 31 | Missouri | \$32,705 | 31 | Illinois | \$2,192 | 31 | Alabama | \$4,576 |
| 32 | North Dakota | \$32,552 | 32 | Oklahoma | \$2,175 | 32 | North Carolina | \$4,458 |
| 33 | Indiana | \$32,526 | 33 | Indiana | \$2,158 | 33 | New Hampshire | \$4,399 |
| 34 | Maine | \$32,348 | 34 | Ohio | \$2,146 | 34 | Oklahoma | \$4,389 |
| 35 | Tennessee | \$32,304 | 35 | Idaho | \$2,143 | 35 | Utah | \$4,372 |
| 36 | North Carolina | \$32,234 | 36 | Utah | \$2,141 | 36 | Illinois | \$4,338 |
| 37 | Oklahoma | \$32,210 | 37 | Mississippi | \$2,058 | 37 | Virginia | \$4,290 |
| 38 | Georgia | \$31,891 | 38 | Florida | \$2,056 | 38 | Kansas | \$4,256 |
| 39 | Arizona | \$31,458 | 39 | Iowa | \$2,052 | 39 | Indiana | \$4,190 |
| 40 | Alabama | \$31,295 | 40 | Oregon | \$2,051 | 40 | Idaho | \$4,185 |
| 41 | Louisiana | \$30,952 | 41 | Arizona | \$1,900 | 41 | South Dakota | \$4,172 |
| 42 | Montana | \$30,688 | 42 | Alabama | \$1,855 | 42 | Nebraska | \$4,113 |
| 43 | Idaho | \$29,952 | 43 | Georgia | \$1,819 | 43 | Tennessee | \$3,973 |
| 44 | New Mexico | \$29,673 | 44 | South Carolina | \$1,796 | 44 | Missouri | \$3,962 |
| 45 | South Carolina | \$29,515 | 45 | Colorado | \$1,793 | 45 | Colorado | \$3,949 |
| 46 | Kentucky | \$29,352 | 46 | Tennessee | \$1,764 | 46 | Florida | \$3,893 |
| 47 | Utah | \$29,108 | 47 | Missouri | \$1,742 | 47 | Arizona | \$3,885 |
| 48 | Arkansas | \$27,935 | 48 | New Hampshire | \$1,582 | 48 | Nevada | \$3,670 |
| 49 | West Virginia | \$27,897 | 49 | Texas | \$1,557 | 49 | Georgia | \$3,610 |
| 50 | Mississippi | \$26,535 | 50 | South Dakota | \$1,512 | 50 | Texas | \$3,461 |

BUDGET RESERVE FUND

Legal Basis: Article IV, Section 27 (a) of the Missouri Constitution

Description: The fund was authorized by constitutional amendment on the November 7, 2000 ballot. The amendment required the transfer of the fund balances from the Cash Operating Reserve Fund and the Budget Stabilization Fund to the newly created Budget Reserve Fund. The Budget Reserve Fund is exempt from the biennial transfer of the balance and earned interest to the General Revenue Fund.

Purpose: The fund can be used for cash flow insufficiencies or budget stabilization.

Cash Flow Insufficiencies – The Commissioner of Administration may transfer amounts from the Budget Reserve Fund to any state fund if the fund balance is insufficient to maintain appropriated levels. Any cash flow transfers must be repaid to the Budget Reserve Fund, with interest, on or before May 15th of the fiscal year.

Budget Stabilization – If the Governor reduces a department’s appropriation level due to a revenue shortfall, or if funds are required to assist the state due to a disaster, the Governor may request appropriations from the Budget Reserve Fund.

The General Assembly must approve the request with a two-thirds vote from both houses.

No more than one-half of the fund balance may be appropriated for this purpose at any one time.

A minimum of one-third of the amount appropriated must be repaid, with interest, in each of the three following fiscal years.

Fund Balance Limits: The fund’s balance is capped at 7.5% of net general revenue receipts or 10% if approved by the General Assembly for the purpose of increasing the fund balance.

Net general revenue collections are defined as “all revenue deposited into the General Revenue Fund less refunds and revenues originally deposited into general revenue but designated by law for specific distribution or transfer to another state fund.”

Excesses above the caps are transferred back to the General Revenue Fund. If the balance is less than 7.5% then the difference stands appropriated and transferred from the General Revenue Fund to the Budget Reserve Fund.

FUND BALANCES AS OF JUNE 30TH OF FISCAL YEAR

| | Budget Stabilization Fund | Cash Operating Reserve Fund | Budget Reserve Fund | TOTAL |
|------|---------------------------------|-----------------------------------|---------------------------|-------------|
| 1985 | 0 | 130,000,000 | 0 | 130,000,000 |
| 1986 | 0 | 139,274,691 | 0 | 139,274,691 |
| 1987 | 0 | 147,031,658 | 0 | 147,031,658 |
| 1988 | 0 | 152,263,244 | 0 | 152,263,244 |
| 1989 | 0 | 163,447,214 | 0 | 163,447,214 |
| 1990 | 0 | 177,694,086 | 0 | 177,694,086 |
| 1991 | 52 | 186,063,790 | 0 | 186,063,842 |
| 1992 | 17,184,602 | 186,984,083 | 0 | 204,168,685 |
| 1993 | 24,722,740 | 193,067,523 | 0 | 217,790,263 |
| 1994 | 36,981,5090 | 202,243,756 | 0 | 239,225,265 |
| 1995 | 23,699,999 | 212,987,699 | 0 | 236,687,698 |
| 1996 | 29,032,747 | 232,375,970 | 0 | 261,408,717 |
| 1997 | 121,444,844 | 245,143,210 | 0 | 366,588,054 |
| 1998 | 128,169,446 | 261,985,315 | 0 | 390,154,761 |
| 1999 | 135,293,029 | 278,468,808 | 0 | 413,761,837 |
| 2000 | 142,777,246 | 293,425,824 | 0 | 436,203,070 |
| 2001 | 0 | 0 | 451,979,500 | 451,979,500 |
| 2002 | 0 | 0 | 469,923,936 | 469,923,936 |
| 2003 | 0 | 0 | 462,371,185 | 462,371,185 |
| 2004 | 0 | 0 | 444,203,058 | 444,203,058 |
| 2005 | 0 | 0 | 463,329,441 | 463,329,441 |
| 2006 | 0 | 0 | 492,987,262 | 492,987,262 |
| 2007 | 0 | 0 | 536,508,275 | 536,508,275 |

Calculation of Total State Revenue

In November, 1980, Missouri citizens approved an amendment to Article X of the Missouri Constitution limiting the amount of tax revenue the State may collect in any fiscal year. The amendment, referred to as the Hancock Amendment, established a ratio between personal income and total state revenues for fiscal year 1981 and used that ratio to set the Total State Revenue (TSR) limit for subsequent years.

The ratio is .056395. For FY 2008, this ratio is applied to the United States Department of Commerce's calculation of Missouri personal income for calendar year 2005 to establish the fiscal year 2007 revenue limit.

The Hancock Amendment defines total state revenues as "all general and special revenues, license and fees, excluding federal funds as defined in the budget message of the Governor for fiscal year 1980-1981." Because the limit is actually on the General Assembly's power of taxation, revenues generated by taxes approved by voters after the adoption of the amendment are excluded from the calculation of TSR. Revenues generated by any agency acting on voter approval, i.e., the Missouri Lottery, are excluded. Also, the calculation excludes refunds of any tax included in TSR.

If in any fiscal year, TSR exceeds the limit by 1% or more, the amount of the excess is to be refunded pro rata based on the taxpayer income tax liability reported on the annual Missouri income tax returns filed in the following year. If the limit is exceeded by an amount of less than 1%, the excess is transferred to the General Revenue Fund.

In any fiscal year, the revenue limit may be exceeded if: the Governor asks the General Assembly to declare an emergency and the nature of the emergency and its cost to the state are clearly specified by the Governor; and the General Assembly declares an emergency by a two-thirds majority vote. The emergency must be declared prior to the expenditure of any "excess" revenue. Refunds resulting from provisions of the amendment cannot be the subject of any request to declare an emergency.

The Hancock Amendment includes further provisions limiting tax increases of political subdivisions and limits state government's flexibility to reduce support or impose new responsibilities on to local governments. This material is beyond the scope of this text. Interested persons should refer to the Missouri Constitution, Article X, §§ 21 and 22.

The Tobacco Master Settlement Agreement Proceeds have been determined by the Office of Administration – Budget and Planning to be recovery costs for Medicaid expenses related to smoking and, therefore, exempted from Total State Revenue. This issue faces a likely court challenge.

It is unlikely that the Hancock Amendment will be triggered in the foreseeable future. The state is currently hundreds of millions of dollars below the refund threshold, and Article X, Section 18(e) of the Missouri Constitution mandates that the people must vote any major tax increase, and therefore it would be excluded from total state revenue.

Article X, Section 18(e) states that in any one year the general assembly shall not increase taxes or fees by more than \$50 million adjusted for growth in Missouri personal income or 1% of Total State Revenue, whichever is less. For 2008 the adjusted limit is approximately \$86 million. If the general assembly increases taxes or fees by more than the limit, the largest tax or fee increases must go to a vote of the people.

BUDGET PROCESS OVERVIEW

STATE OF MISSOURI

I. Department Budget Preparation

- A. State agencies prepare budget requests during summer and fall for the following fiscal year in accordance with guidelines issued by the Office of Administration's Division of Budget and Planning.
- B. Budget requests are submitted to OA-Budget and Planning by October 1. Copies are submitted to the legislature at the same time.

II. Governor Recommends Executive Budget

- A. After analysis by OA-Budget and Planning, the Executive Budget is published in mid-January.
- B. Governor gives State of the State and Budget Message to a Joint Session of the Legislature in the first few weeks of the legislative session in January.
- C. Appropriations Bills, the first twenty or so House Bills, are introduced by the Chairman of the House Budget Committee.

III. House Appropriations Committees Operating Budget Hearings

- A. After introduction, Appropriations Bills are referred to the House Budget Committee for assignment to the appropriate House Appropriations Committee.
- B. Each House Appropriations Committee (General Administration and Transportation, Education and Public Safety, Natural and Economic Resources, Health and Mental Health, and Social Services and Corrections) holds budget hearings in late January or early February for agencies to testify on their budget requests and the Governor's recommendations.

IV. House Action on Emergency and Supplemental Appropriations

- A. House Budget Committee conducts hearings on emergency and supplemental requests for the current year early in the session. Emergency and supplemental appropriations are for unforeseen changes in circumstance in the current fiscal year. The legislature takes action only on the requests recommended by the Governor.
- B. House Budget Committee "marks-up" emergency and supplemental appropriation bills and sends House Committee Substitutes to the full House for action.

V. House Appropriations Committee Operating Budget Recommendations

- A. House Appropriations Committees “mark-up” the operating budgets and staff prepares House Committee Substitute bills to reflect the committee recommendations.
- B. House Appropriations Committee Chairmen present recommendations to the House Budget Committee.

VI. House Budget Committee Acts on Operating Budget

- A. House Budget Committee either accepts House Appropriations Committee recommendations, alters the recommendations, or rejects the recommendations with instructions for the House Appropriations Committee to reconsider the proposed budget.
- B. House Committee Substitute Appropriations bills as approved by the House Budget Committee are sent to the full House of Representatives with a committee recommendation.

VII. House Floor Action on Operating Budget

- A. All appropriations bills for the operating budget are brought before the House of Representatives.
- B. House Committee Substitute (or House Substitute) bills as perfected by amendment and floor vote are sent to the Senate, usually with one-third of the session remaining.

VIII. House Action on Capital Budget

- A. House Budget Committee conducts hearing and “marks-up” capital budget for recommended House Committee Substitute Bills. The capital budget uses a biennial appropriations process for major, multiyear projects. During the second year of the biennium, funding is provided for critical projects not envisioned at the time of the adoption of the biennial budget.
- B. Full House passes House Committee Substitute (or House Substitute) bills and sends to the Senate.

IX. Senate Appropriations Committee Operating Budget Hearings

- A. Senate Appropriations Committee conducts budget hearings and reviews in late January.
- B. Senate Appropriations Committee “marks-up” operating budget, prepares recommendations, and staff prepares summaries of action for presentation to the full Senate.

X. Senate Appropriations Committee Action

- A. Senate Appropriations Committee conducts hearings and “marks-up” emergency and supplemental appropriations to prepare Senate Committee Substitute for House Committee Substitute appropriations bill on emergency and supplementals.
- B. Senate Appropriations Committee conducts hearings and “marks-up” capital budget for Senate Committee Substitute bills.

XI. Senate Action on Appropriations

- A. Full Senate either adopts Senate Committee Substitutes, amends Senate Committee Substitutes, or adopts Senate Substitute bills for appropriations on emergency and supplemental, operating, and capital budgets.
- B. The Senate returns the appropriation bills to the House of Representatives for acceptance or for the House to make a request for conference to settle differences.

XII. Conference Committee(s) on Appropriations

- A. Conference Committees, consisting of five (5) members from the House of Representatives and five (5) members from the Senate, meet to achieve compromises, settle differences and adopt Conference Committee Substitute appropriations bills.
- B. Conference Committee bills are then returned to the full House and Senate to be Truly Agreed to and Finally Passed.

XIII. Governor’s Line-Item Veto

- A. Truly Agreed To and Finally Passed appropriations bills are sent to the Governor for signature.
- B. Governor either signs an appropriations bill, vetoes entire bill, or line-item vetoes part or all of sections or lines in the bill. Appropriations for payment of principal and interest on public debt and appropriations for free public schools cannot be vetoed under the Missouri Constitution. The Governor must act before July 1 and on that date the appropriated moneys may be expended.

XIV. Governor’s Control Over Expenditure Rates

- A. Governor controls the rate of expenditure against appropriations through the allotment process.
- B. An initial reserve plan is the statutorily required 3% withholding on appropriations to be expended upon approval of the Governor.

- C. Governor may further withhold funds to reduce expenditures below appropriations whenever actual revenues are less than estimates on which the appropriations are based.

XV. Legislative Override of Governor's Veto

- A. Legislature may override Governor's veto of bill or line-item by a two thirds majority in both the House and Senate during the following legislative veto session held in September.
- B. Process begins again.

Calendar of Floor Action on FY 2008 Appropriation Bills 94th General Assembly, 1st Regular Session

| | |
|------------------|--|
| January | 3 94 th General Assembly, 1 st Regular Session begins |
| | 16 House Introduced/Read First Time – HB 15 |
| | 24 State of the State Address – Executive Budget Presented |
| February | 1 House Introduced/Read First Time – HB 14 |
| | 1 House Floor Action/Third Read & Passed – HB 15 |
| | 1 Senate Introduced/Read First Time – HB 15 |
| | 7 House/Senate Floor Action – TAFP – HB 15 |
| | 8 Governor signed HB 15 |
| | 12 House Introduced/Read First Time – HB 16 |
| | 22 House Floor Action/Third Read & Passed – HCS HB 14 |
| | 22 Senate Introduced/Read First Time – HCS HB 14 |
| March | 1 House Introduced/Read First Time – HBs 1-3 |
| | 1 Senate Floor Action/Third Read & Passed – SCS HCS HB 14 |
| | 7 House Floor Action/Third Read & Passed – HCS HB 16 |
| | 7 Senate Introduced/Read First Time – HCS HB 16 |
| | 8 House Introduced/Read First Time – HBs 4-13 |
| | 13 House Floor Action/Third Read & Passed – CCS SCS HCS HB 14 |
| | 13 House/Senate Floor Action – TAFP – CCS SCS HCS HB 14 |
| | 19 March 19 – March 23 – Spring Break |
| | 22 Governor signed CCS SCS HCS HB 14 |
| | 29 House Floor Action/Third Read & Passed – HB 1, HCS HBs 2-13 |
| | 29 Senate Introduced/Read First Time – HB 1, HCS HBs 2-13 |
| April | 5 House Introduced/Read First Time – HBs 17-18 |
| | 12 House Introduced/Read First Time – HB 19 |
| | 18 Senate Floor Action/Third Read & Passed – SS SCS HCS HB 16 |
| | 19 House Floor Action/Third Read & Passed – HCS HB 17-18 |
| | 19 Senate Introduced/Read First Time – HCS HBs 17-18 |
| | 23 Senate Floor Action/Third Read & Passed – SCS HB 1, SCS HCS HBs 2-3 |
| | 24 Senate Floor Action/Third Read & Passed – SCS HCS HBs 4-6 |
| | 25 Senate Floor Action/Third Read & Passed – SCS HCS HBs 7-13 |
| | 30 Senate Floor Action/Third Read & Passed – SCS HCS HBs 17-18 |
| May | 8 House/Senate Floor Action – TAFP – SS SCS HCS HB 16 |
| | 9 House/Senate Floor Action – TAFP – CCS SCS HB 1, CCS SCS HCS HBs 2-9 |
| | 10 House/Senate Floor Action – TAFP – CCS SCS HCS HB 10-13, SCS HCS HBs 17-18 |
| | 18 94th General Assembly, 1st Regular Session ends (6:00 p.m.) |
| | 22 Governor signed SS SCS HCS HB 16 |
| June | 13 Governor signed CCS SCS HB 1, CCS SCS HCS HB 2 |
| | 27 Governor signed CCS SCS HCS HBs 3-13, SCS HCS HB 17-18 |
| September | 12 Veto Session |

THE FOUNDATION FORMULA

FY 2008 represents the second year of state appropriations to school districts based on the new foundation formula passed in the 2005 session (SB 287).

The new foundation formula is a student-focused, successful-school model based on characteristics of those districts meeting all performance standards reflected in the Annual Performance Report (“performance districts”). Based on those districts, it establishes a “state adequacy target” (\$6,117 for FY 2008) to ensure that all districts with a tax levy of at least the performance levy (\$3.43) have that amount of money behind each student. The state adequacy target will be recalculated every two years using the most current list of performance districts.

- Formula payments are calculated on a per-student basis. The formula also provides additional funding through student weighting for districts whose percentage of free or reduced lunch, special education, or English proficiency students exceed the respective percentages in the performance districts. The new formula does not provide additional weight for summer school attendance.
- The state adequacy target includes expenditures from the following categories of state funding. Thus these items will no longer be funded separately:
 - Line 14 of current formula (“At-risk” programs)
 - Exceptional pupil aid (Special Education categorical)
 - Gifted education (Gifted categorical)
 - Remedial Reading categorical
 - Fair Share fund
 - Free Textbook fund
- The local revenue deduction utilized in the formula is calculated by taking \$3.43 times the 2004 assessed valuation in the school district, regardless of the district’s actual levy. The \$3.43 amount is called the performance levy. The district's local effort deduction is frozen so that growth in local collections will be retained by the district without offsetting state aid payments.
- A dollar value modifier (DVM) is used to recognize increased operating costs in some districts, primarily in metropolitan regions.
- The formula is phased-in over seven years beginning in FY 2007.

- Districts are guaranteed to receive a minimum state funding amount per student - the amount received per student in FY 2006. This amount will be adjusted upward for districts with a DVM greater than 1.0.
- A “Small Schools Fund” is established to distribute an additional \$15 million annually among districts with 350 students (average daily attendance) or less. Ten million of this is to be distributed strictly on a per-ADA, with the other five million being distributed on a weighted basis to those small districts with levies greater than the \$3.43 performance levy.
- Revenues from gaming will be accounted for separately through the Classroom Trust Fund, also established by the act. Districts are given nearly unlimited flexibility in using these funds.
- The act creates option districts, which may forgo state aid in return for regulatory relief.
- SB 287 also increases the statutory minimum teacher’s salary to \$22,000 in 2006-07, increasing to \$25,000 in 2009-10. The minimum for a master’s degree teacher with 10 years experience is \$30,000 in 2006-07 and \$33,000 by 2009-10.