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The Stouffer Report: Keeping the State Budget Balanced in 2011

Fiscal year 2011 is underway in Missouri. The results of our decisions while putting together our state's spending plan are already starting to be seen. At the state level, we are making responsible decisions to remain debt free.

Nothing was easy in crafting fiscal year 2011's, which started July 1. What started in January as a \$23.9 billion budget has been whittled to a little under \$23.3 billion. Revenues went up a little in April, but are way below where they were a year ago. The Senate trimmed \$456 million from the governor's original proposal.

Even before July 1, the governor made more reductions to the budget. Originally, it was believed an additional \$350 million would have to be trimmed. The governor ended up taking \$280 million out of the budget. The reductions are coming from everywhere, including the elimination of another 250 state jobs.

Further withholdings include:

- \$70 million reduction in school transportation. There continues to be no cuts to classroom instruction.
- \$50 million from [Access Missouri Scholarships](#). Thirty million of these dollars will be made up by the [Missouri Higher Education Loan Authority \(MOHELA\)](#).
- \$6 million in transit funds. Half of this will come out of funding for the Kansas City area. The other half will impact local transit across the state.
- \$100,000 from the [Commission on Human Rights](#). This equals a 10 percent reduction in administrative costs.
- \$4.8 million for school health grants. While state



funding would be eliminated completely, [Medicaid](#) funds could be used to make up for it.

- \$10 million in emergency funds for [Temporary Assistance for Needy Families](#) (TANF). These will be replaced by federal funds.
- \$10 million from the [Division of Youth Services'](#) Medicaid claiming. Federal funds will also replace this money.
- \$4.2 million from the [Department of Health and Senior Services](#). This will reduce funding for some programs and reduce staff.
- \$47 million in tax credits. What tax credits not offered this year is unknown, but there will be closer scrutiny of all tax credits throughout this year and next.

These numbers do not represent all of the reductions that have been made to the 2011 state budget, but they represent some of the larger and harder-hitting trimmings.

I would also like to point out, for all of the reductions that had to be made, lawmakers were successful in keeping something in place. Funding for Missouri's K-12 classrooms will stay at fiscal year 2010 levels, and we kept the \$37.5 million in for [Career Ladder](#), so that teachers will receive the money they earned for extra work they did last year. All of this was done without a tax increase.

Hopefully, the governor will not have to withhold any further funding this year. If revenues continue to climb, then fiscal year 2012 will not be as bad as has been predicted. But, I know it will be an uphill climb, no matter what happens.

Senator Stouffer serves the counties of Carroll, Chariton, Cooper, Howard, Lafayette, Macon, Ray, Saline, and a part of Clay.

If you have questions or comments about this or any other issue, please call toll free (866) 768-3987 or by e-mail at bstouffer@senate.mo.gov.

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