



GOVERNOR OF MISSOURI

JEFFERSON CITY

65102

January 27, 2009

JEREMIAH W. (JAY) NIXON
GOVERNOR

P.O. Box 720
(573) 751-3222

TO THE GENERAL ASSEMBLY AND THE PEOPLE OF MISSOURI:

The State of Missouri and its citizens face unprecedented uncertainty as a result of the national economic crisis. To solve the problems facing our people and our state, we must come together across party and ideological lines to get Missourians working. My vision is a healthy, educated, working Missouri that is prepared to compete and succeed in the 21st Century. The Executive Budget for Fiscal Year 2010 carefully balances substantial cuts to the government infrastructure with across-the-board maintenance of essential services Missourians have a right to expect from those who serve them. Moreover, in certain carefully selected areas chosen for their ability to strengthen Missouri's economy in both the short and long term, the Fiscal Year 2010 Budget proposes new investments that will create the jobs of the future, provide a world-class education, expand access to health care, and build a more efficient and effective state government.

Balancing the Fiscal Year 2010 Budget required an exhaustive review of state programs and expenditures, with more than \$1 billion in overall core reductions (including more than \$250 million in reductions of general revenue spending) and the elimination of more than 1,300 positions. These decisions reduce the size of government to a level that can be sustained with foreseeable revenues while providing, without interruption, those services Missourians expect and demand. This smaller, more flexible government will ensure that the state can move forward despite economic uncertainty and empower unemployed Missourians to get back to work. This budget also includes reasonable assumptions, based on the best data available, concerning resources Missouri may receive to help maintain services and strengthen our economy. Our ability to responsibly manage the opportunities created by any funds received above the levels assumed may well determine the economic future of this state and its people, as well as define the character of leadership this government has and can summon in times of critical decision.

The Fiscal Year 2010 Budget will:

- Invest in Missouri's workforce and create jobs with the Show Me JOBS initiative;
- Prioritize support for K-12 education, including full funding of the Foundation Formula;
- Guarantee no tuition increases at Missouri's public colleges and universities;
- Expand access to higher education through implementation of the Missouri Promise Program, providing qualified students a pathway to a 4-year degree, tuition free;
- Maintain vital health care services while expanding access to these services to an additional 62,000 Missourians, including more than 27,000 uninsured children; and
- Make state government more efficient and effective.

This is a new day for Missouri. As your Governor, I will work every day to help make our bright future a reality for all Missouri families. The Fiscal Year 2010 Budget provides a roadmap to accomplish this, but the challenges facing our state, our communities and our families are too great to reject any solution merely on the basis of authorship. I look forward to considering all solutions offered in the spirit of problem solving and public service. I am deeply honored and humbled by the opportunity to lead our state during this critical time. I look forward to finding the common ground on which we can work together to create new jobs, make health care more accessible, protect consumers, and educate our children.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jay Nixon', written over a white background.

Jeremiah W. (Jay) Nixon
Governor

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THE MISSOURI BUDGET FISCAL YEAR 2010 SUMMARY

I. OVERVIEW

Governor Nixon's Fiscal Year 2010 Budget carefully balances substantial cuts in the size and cost of government infrastructure with across-the-board maintenance of the levels of those essential government services Missourians have a right to expect. Then, in certain selected areas chosen for their ability to strengthen Missouri's economy in both the short and long term, the Fiscal Year 2010 Budget proposes reasonable and sustainable expansions in services that will create the jobs of the future, provide a world-class education to the Missouri workforce of the future, expand access to health care, and build a more efficient and effective state government.

The Fiscal Year 2010 Budget, like the new administration's bi-partisan approach to problem solving, is based on a series of four collective principles; principles that are shared by the Governor, the General Assembly and other statewide elected officials, and the people of Missouri.

The first principle is that we all value the self-reliance that comes from earning our way in the world – a hard day's work for a fair wage. But too many Missourians are unemployed, or fear they will soon lose the job they have. The first priority of Governor Nixon's administration, reflected throughout the Fiscal Year 2010 Budget, is to create new jobs and grow the jobs we have. Investing in technology, science, and innovation will create the next-generation jobs we need to compete in the 21st Century.

The second principle we share is the value of education and the contribution that a coordinated, adequately funded educational system – stretching from pre-kindergarten throughout an adult's working life – can and does have on the quality of life of all Missourians. Equally important, establishing education as a bi-partisan priority sends a signal to employers and potential employers that Missouri is serious about creating, attracting and maintaining high-quality jobs by delivering a high-quality workforce.

Third, Missourians share the principle that affordable and accessible healthcare for all is a goal worth

fighting for. Beyond its moral component, this value reflects the economic imperative every bit as much as the work and education principles set forth above. A healthier workforce is a more productive workforce. Moreover, Missouri cannot afford to lose current and prospective employers because of escalating healthcare costs caused by cost-shifting the expense of large numbers of uninsured Missourians onto the backs of employers, providers and those who currently have health insurance. The presence of 150,000 uninsured Missouri children underscores the need for a concerted, bi-partisan approach to this principle, and to improving access and affordability. The Fiscal Year 2010 Budget makes prudent, sustainable progress on this important shared principle.

Our fourth shared principle is the need for a fiscally responsible, effective government that does its business in public and for the public. Sound, responsible financial planning demands that we take a hard look at both the short-term and long-term sustainability of the government we manage. Record shortfalls from predicted revenues in the current Fiscal Year, 2009, have created substantial challenges in balancing the government through the end of June 2009. Nevertheless, expenses will not be allowed to exceed the funds actually available to meet them. For Fiscal Year 2010, the national and international economic crisis will keep Missouri's tax revenues at, or close to, the depressed Fiscal Year 2009 levels – and well below the levels actually received and spent in Fiscal Year 2008. Therefore, real and substantial cuts in the size and cost of government must be made – and the Fiscal Year 2010 Budget makes them. At the same time, however, many Missourians rely on the services government provides in times of economic hardship more than at any other time. Making cuts in those programs, in the midst of this economic crisis, would be unconscionably harsh. We must not balance our books on the backs of the weakest among us. More importantly, we cannot – and the Fiscal Year 2010 Budget does not and will not – sustain the government by imposing additional tax burdens on Missouri families or businesses at a time when far too many of both are stretched to the breaking point. We must put Missouri's fiscal house in order, lay the groundwork for recovering from this economic collapse, and provide essential services where they are needed most. The Fiscal Year 2010 Budget

accomplishes these tasks. Yet, even though the Fiscal Year 2010 Budget calls for a smaller, more productive and more efficient government workforce, it is up to leaders to make it clear to state workers that they are appreciated and we value their contribution to the government's mission. The Fiscal Year 2010 Budget does this as well.

These four principles – jobs, education, healthcare, and a fiscally responsible yet effective government – are not values that belong to just one person, or one ideology, or one political party. Instead, they are Missouri's values – they are held by and belong to all of us, and the Fiscal Year 2010 Budget reflects them as shown below:

JOBS

The Fiscal Year 2010 Budget includes:

- The resources necessary in the Department of Economic Development to implement and administer the Show Me JOBS initiative, an expansion of the Quality Jobs Program and low-interest loans to small businesses, and the Missouri BUILD Program which provides tax credits to help large-scale businesses expand their operations and create new jobs in the state.
- \$15 million for the Missouri Customized Job Training Program, including an increase of \$4 million (+38%).
- \$16 million for the Community College New Jobs Training Program, which provides assistance to businesses expanding Missouri's workforce.
- \$10 million for the Job Retention Training Program, which provides general skill and industry-specific occupational training for Missouri businesses.
- \$53 million to fully fund biodiesel and ethanol subsidies – including \$6.3 million to expand biodiesel production by more than 31 million gallons.
- \$40 million for a coordinated expansion of the healthcare workforce training capacity through the state's two-year and four-year public colleges and universities, which will produce an additional 916 highly qualified graduates into the healthcare workforce in the first six years.
- \$13 million in the Life Science Trust Fund for research grants to aid the industries of tomorrow.
- \$167 million (including \$3 million in new funding) to maintain current eligibility levels for assistance with child care costs, which helps keep low-income working parents at work.

EDUCATION

The Fiscal Year 2010 Budget includes:

Elementary and Secondary

- \$3 billion to fully fund the statutory Foundation Formula for elementary and secondary education at 524 local school districts, including a \$62 million increase over Fiscal Year 2009.
- \$38 million for the Career Ladder Program, which enhances career development and compensation for participating teachers.
- \$3 million for Missouri's alternative schools, including \$250,000 new funds for the first expansion of this effort since it reached its high water mark in 2002.
- \$51 million to fund Missouri's School for the Blind in St. Louis and the School for the Deaf in Fulton, two residential facilities, as well as Missouri's schools for the severely disabled around the state, including an additional \$1 million to expand services while providing additional flexibility to facility superintendents.
- \$403 million for school transportation and food services, including \$28 million in new funding.
- \$25 million for Missouri's sheltered workshops, including \$4 million in new funding which will allow Missouri to raise the rate it is paying to \$18/day per worker.
- \$30 million for the First Steps Program, including more than \$1 million in new funding.
- \$34 million for the Parents as Teachers Program.
- \$359 million, for early childhood special education and special education grants, including \$30 million in new funding.
- \$26 million to help local school districts with the costs of educating children with special needs, including \$5 million in new funding.
- \$56 million including \$4 million in new funding to maximize access to available federal funds for vocational rehabilitation grants.
- \$4 million for assistive technology grants to provide equipment to individuals with disabilities.

Continuing Education

- \$53 million for Career Education programs, including career-technical, adult and community education opportunities.

Higher Education

- No tuition increases – In exchange for a commitment to receive the same appropriation for Fiscal Year 2010 as it did for Fiscal Year

2009, each public college and university has agreed not to raise tuition or education-related fees. Fiscal Year 2010 funding for these colleges and universities is \$986 million, and each institution will receive at least the amount appropriated in Fiscal Year 2009.

- Full funding of Access Scholarships – the Fiscal Year 2010 Budget provides \$96 million for Access Scholarships, continuing the level of support from Fiscal Year 2009, plus an inflationary enhancement of \$3 million. However, the current distribution formula permits students attending private colleges and universities to receive more than twice the amount of taxpayer-funded scholarships as a student attending our public colleges and universities. Governor Nixon proposes to make these distribution guidelines more equitable so the amount of aid a student might qualify for does not depend on whether the school he or she chooses to attend is a private or public school.
- Initial implementation of Missouri Promise – the current A+ Program provides qualified students, who are willing to make and keep a community service commitment, with a scholarship for two years to any public community college. The Fiscal Year 2010 Budget expands and replaces A+ with Missouri Promise, under which students successfully finishing their community college degree will be eligible to continue their education into their Junior and Senior years at a public four-year college or university of their choice. Under this program, Missouri students have a realistic pathway to a four-year college degree tuition free, and without having taken on a crushing debt burden. This Fiscal Year 2010 cost of this initial expansion is \$26 million in addition to the \$25 million cost of the former A+ program.

HEALTHCARE

The Fiscal Year 2010 Budget provides:

- No cuts in Medicaid eligibility or services – none. The Fiscal Year 2010 Budget provides \$7.1 billion, including increases of \$361 million, to maintain all services and eligibility levels throughout the Medicaid Program in the Departments of Social Services, Mental Health, Health and Senior Services and Elementary and Secondary Education.
 - \$231 million (\$37 million of general revenue) to expand health care opportunities to an additional 62,000 Missourians, including more than 27,000 children.
 - \$360,000 to establish the Missouri Quality Homecare Council to coordinate care for elderly and disabled clients served by state programs. Missouri voters approved establishing the Council in November 2008.
- No reduction in direct services to non-Medicaid patients in the Department of Mental Health, or to Missouri's seniors or individuals with disabilities served by the Department of Health and Senior Services.
 - \$44 million to continue funding to local Area Agencies on Aging.
 - \$9 million for core public health functions provided through local health departments.

FISCALLY RESPONSIBLE, EFFECTIVE GOVERNMENT

The Fiscal Year 2010 budget includes core reductions of more than \$1 billion (\$262 million of general revenue), including more than \$170 million (\$100 million of general revenue) slashed directly from personnel and departmental expenses throughout government, resulting in the elimination of 1,329 positions. These cuts were targeted to areas that would have the least impact on vital services provided by state government, while preserving and protecting the core values of jobs, education, and health care.

Given the reduced size of the Missouri government, state employees will be asked to do more with less. Governor Nixon knows that as duties shift to remaining staff, state employees must remain motivated, enthusiastic and healthy. Public service is crucial to continuing the vital services provided to Missouri taxpayers, and the Fiscal Year 2010 Budget asks more from government workers of whom already much is expected. Accordingly, the Fiscal Year 2010 Budget includes:

- \$79 million for a 3 percent pay raise for all state employees.
- \$96 million to maintain the state's share of continuing the same health care plan benefit levels for state employees through Fiscal Year 2010.

II. REVIEW OF THE FISCAL YEAR 2009 BUDGET

Fiscal Year 2009 revenue growth was expected to be stronger than Fiscal Year 2008. Just twelve months ago, general revenue collections (net of refunds) for Fiscal Year 2009 were projected to grow by 3.4 percent over then-estimated Fiscal Year 2008 revenues. Even before Fiscal Year 2009 began in July of 2008, however, clouds had gathered on the economic horizon. The economy already had begun to slow through the first 8 months of Calendar Year 2008. With the housing market slumping, unemployment up, fuel costs skyrocketing and both banks and investors unwilling to lend or borrow, the stage was set for the collapse that occurred in September and October. Given the subsequent

large-scale losses in home values, retirement savings values and rising concern over unemployment, consumers have slowed spending dramatically.

The adjusted Consensus Revenue Estimate for Fiscal Year 2009, released January 22, 2009, shows a significant \$542 million downward adjustment from the original estimate. Rather than the 3.4 percent increase in revenues originally forecast, Fiscal Year 2009 revenues are now expected to fall 4.0 percent. Given that Fiscal Year 2009's general revenue appropriations exceeded the forecasted net general revenue collections even at the time the budget was adopted, this enormous decrease in anticipated funds has resulted in shortfalls for planned expenditures of more than a quarter billion dollars. Governor Nixon has implemented an aggressive plan to bring expenses down to ensure that the state's expenses do not exceed its available resources in Fiscal Year 2009. Priorities will be reassessed to take into account changes in necessary expenses as well as the amount of resources.

III. THE ECONOMIC OUTLOOK

U.S. Economic Position

Three economic forces with roots in Calendar Year 2007 combined to create a near "perfect storm" in Calendar Year 2008 that may have forever altered the U.S. economic landscape. First, energy prices soared throughout the first three quarters of Calendar Year 2008. After averaging about \$66 per barrel in 2006, oil climbed to \$99 per barrel in 2007, and then jumped to \$146 per barrel in July 2008 amidst an inflationary backdrop and market volatility. Gasoline prices, which had hovered around \$2.60 per gallon in 2006, also shot upward to \$4.10 in July 2008. Despite the collapse in gasoline prices in the fall and winter of 2008, the average price for gasoline for the entire calendar year was about 16 percent higher than in 2007. Consumers and businesses were forced to absorb these increased costs, both directly and indirectly, straining already tight budgets and decreasing the amount of cash available for spending or investing.

After two years of steady declines in residential construction, the new housing market nearly stalled completely in Calendar Year 2008 as both credit and prospective purchasers grew scarce. Record numbers of homeowners faced foreclosure as numerous subprime loans reset from introductory "teaser" rates to increasingly unaffordable adjustable rates. Foreclosures added to the growing housing oversupply, putting further downward pressure on home prices. Finally, the oversupply in housing caused by the foregoing resulted in the first housing price declines in decades. Though the rate of decline in the housing construction market is slowing, issuance of building permits has flattened and prices continue to fall. Any significant rebound appears to be months off, and then only if

commercial banks regain their willingness to issue additional loans.

Trillions of dollars of financial derivatives, many backed by subprime mortgages, lost all or most of their value virtually overnight, which resulted in the near-total collapse of capital markets. Major investment firms were unable to secure large sums of short-term financing as financiers became highly risk averse. The chaos that ensued in financial markets led to unprecedented changes throughout the U.S. financial infrastructure. Virtually all major investment banks disappeared: Bear Stearns was bought by JP Morgan (based upon government assurances); Lehman Brothers failed; and Bank of America bought Merrill Lynch. The final two banks, Goldman Sachs and Morgan Stanley, converted from investment banks to bank holding companies, accepting more government regulation in return for greater access to Federal Reserve resources. Fannie Mae and Freddie Mac, the government-sponsored entities that own a large portion of U.S. mortgages, were seized by the U.S. Department of the Treasury. The FDIC took control of banks IndyMac and Washington Mutual, the largest bank failures in U.S. history. Wachovia bank was eventually acquired by Wells Fargo. The Federal Reserve acted to save insurance firm AIG with a massive bailout loan. The U.S. Treasury proposed the \$700-billion Troubled Asset Relief Program (TARP), and was eventually given broad powers to invest the money as necessary. The turmoil, much of which occurred during September 2008, resulted in a 22-percent decline in the Dow Jones Industrial Average for the first week of October 2008, the largest weekly decline in history. The S&P 500 ended the year with a loss of over 38 percent. The financial crisis spread globally and central banks began working together to inject liquidity. Ultimately, the Federal Reserve took unprecedented action and set its target interest rate at essentially zero. They also declared efforts to engage in quantitative easing through expanded loan authority, the acquisition of Fannie Mae and Freddie Mac assets, and the purchase of long-term U.S. Treasury issuances.

With financial markets in chaos, no access to capital, and costs rising, business investment slowed leading to closures and layoffs. Consumers, despite a boost from a federal fiscal stimulus package in the spring of 2008, sharply pulled back spending late in the year. The causes are not hard to locate, as consumers had been buffeted throughout Calendar Year 2008 by the loss of trillions of dollars in market investments, declining housing wealth, the inability to access home equity-based loans, and suffocating energy costs. The real economy unsurprisingly contracted most of the year. Indeed, the National Bureau of Economic Research officially declared that economic activity reached its peak in December 2007. Given substantially reduced aggregate demand, in the fourth quarter of 2008 the real economy entered into its deepest

Economic Projections			
	Increase by Calendar Year		
<u>U.S.</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Real GDP	1.1 %	(1.3) %	3.7 %
Total Employment	(0.3) %	(2.3)%	0.6 %
Unemployment Rate	6.7 %	8.4 %	7.7 %
Personal Income	3.8 %	1.4 %	3.2 %
Consumer Expenditures	3.7 %	(0.7) %	3.3 %
Consumer Prices	3.8 %	0.0 %	0.9 %
<u>MISSOURI</u>			
Total Employment	(0.4) %	(0.8) %	1.2 %
Personal Income	4.0 %	2.2 %	4.0 %

recession since 1982, and conditions are expected to be equally dismal during the first quarter of Calendar Year 2009.

The U.S. economy is expected to return to average growth by Calendar Year 2010, but the immediate future is highly uncertain and appears grim. With financial markets still dysfunctional, consumers are spending only on necessities, business investments are on hold, homebuilding remains stalled, and exports are declining. It is likely the current recession will rival the decline in the early 1980s, possibly becoming the most severe contraction since World War II. Investors, businesses, and consumers – as well as state and local governments – are anticipating spending from the American Recovery and Reinvestment Act (AARA) currently being debated in Congress.

However, signs of hope are appearing. Energy prices have remained low, lessening the strain on consumers' finances. Mortgage rates are falling, in some cases to under five percent, and the Federal Reserve has announced plans to support mortgage financing. In combination with increasingly attractive prices for buyers, these developments may kick-start residential investment in 2009. The TARP, in combination with the easing of Federal Reserve rates, may have the hoped-for effect of encouraging lenders to provide access to capital. The ARRA is expected to provide nearly \$1 trillion of targeted federal fiscal stimulus over the next two years in the form of tax cuts for businesses and individuals, as well as stabilization funds to allow state and local governments maintenance of essential programs and services.

It should be noted, however, that substantial negative risks to the Fiscal Year 2010 forecast remain. The global economy is clearly weakening in response to lower U.S. demand. Domestically, the troubles of U.S. automakers have reached a critical mass; Chrysler and GM received billions of dollars in assistance as part of the Troubled Asset Relief Program (TARP) in an effort to avoid bankruptcy. New car sales continue to slump and the future of the domestic automotive industry hangs in a precarious balance.

Missouri Economic Position

The Missouri economy peaked in Calendar Year 2007, but – as with nearly all states – Missouri is struggling against the tidal wave of the national recession. Missouri employment has been on a general decline since October 2007. According to U.S. Bureau of Labor Statistics' data, through the twelve months ending November 2008, the state lost 23,200 jobs, a decline of 0.8 percent. Losses were felt acutely in the motor vehicle and transportation equipment manufacturing sectors, as over 10,000 jobs (3,000 direct automotive jobs) disappeared, a reduction of over 17.0 percent. Missouri's unemployment rate reached 6.7 percent in November, the highest level in over seventeen years. Claims for unemployment insurance have been growing at a pace similar to the recession earlier this decade, and are approaching the peaks reached in 2003. Personal income growth during Calendar Year 2008 slowed to about 4.0 percent, somewhat below average. However, when transfer payments and inflationary effects are excluded,

personal income has contracted for three straight quarters. Together, these data demonstrate Missouri is suffering from the national recession.

Missouri's economic outlook over the next two years is similar to that of the nation, weighed down by the general outlook in the housing and automotive industries. Employment is expected to decline by 0.8 percent in 2009, while personal income growth will slow to only 2.0 percent. Housing construction continues to decline, with new permit issuances approaching one-third the level of the 2005 peak. Growth is expected to rebound in 2010, however, to rates closer to historical averages. Downside risks include the continued weakness of America's troubled automobile manufacturers, which could lead to the closure of additional Missouri automobile plants and suppliers. In addition, continued contraction in housing-related industries is expected, as are continued reductions in exports as the global economy shrinks.

IV. REVENUE PROJECTIONS FOR FISCAL YEARS 2009 AND 2010

Revenue forecasting is challenging under the best of circumstances, and becomes even more difficult when the questions become – as it is for Fiscal Year 2010 – whether a stumbling national economy will recover and when, and whether Missouri will lead or lag behind that recovery. Continued restriction in the credit market, as well as volatility in the equity markets and unpredictable energy prices, complicate both questions. Nonetheless, the state must move ahead with its budgeting based on the best available economic information. Governor Nixon is committed to working constructively with members of the General Assembly to find bi-partisan answers to the states challenges, and this cooperation began even before the inauguration. On January 22, 2009, despite the enormous difficulty in discerning a reasonable forecast for Fiscal Year 2010 and the magnitude of the downward adjustment needed for the Fiscal Year 2009 estimate, the Governor and legislative leaders reached a consensus on both numbers.

An historic drop in net general revenue collections is now expected for Fiscal Year 2009 as compared to Fiscal Year 2008. The revised revenue estimate calls for a decline of 4.0 percent, the largest forecasted decline since the consensus process started in 1992, and more than one-half of a billion dollars below the 3.4 percent growth envisioned twelve months ago. Individual withholding revenues are the only major source of gross collections showing growth, albeit below average. Sales and corporate taxes have been deeply impacted by the recession. Sales taxes have been further reduced by the final year of implementation of Constitutional Amendment Number 3, the 2004 transportation ballot initiative. Spring individual income taxes will be adversely impacted by slowing dividend and interest income, and will show evidence of the major

capital losses incurred in equity markets in 2008. Collections will also be reduced by accelerated depreciation provisions included in the federal Economic Stimulus Act of 2008, which became effective in the spring of 2008. Tax changes in the form of income tax relief for seniors will also curtail revenue growth. Tax credit redemptions are expected to remain strong.

General revenue growth in Fiscal Year 2010 will depend on the duration of the current recession and the circumstances of any economic turnaround. Because growth is not expected to rebound until the beginning of Calendar Year 2010, it will be difficult for Fiscal Year 2010 collections to gain much upward momentum. Therefore, below-average growth of only 1.0 percent is anticipated.

V. AMERICAN RECOVERY AND REINVESTMENT ACT

In addition to the net general revenue collections accounted for in the consensus revenue estimate, and all of the other funds and federal funds that make up the balance of Missouri's budget, it became clear in January 2009 that Congress will pass, and President Obama will sign, an unprecedentedly-large federal stimulus plan that will include direct funds available for states to use to maintain essential government services. The Fiscal Year 2010 Budget was prepared with up-to-the-moment information as to the status of the American Recovery and Reinvestment Act; the Governor's administration has been in close contact with every member of the Missouri Congressional delegation, monitoring the various proposals and the impact each could have on the state.

By the time the Fiscal Year 2010 Budget was finalized and sent for production, however, three overarching points had become clear. First, there will be a stimulus, including direct aid to states that must be invested in Missouri's present and future as prudently as possible. Though Congress will undoubtedly attach conditions to the use of stimulus funds, it is likely that such conditions will closely track Missouri's shared principles of jobs, education, and health care. Second, spending this money on maintaining the size and cost of the current government would be irresponsible. No matter the size or purpose of stimulus funding streams, those streams will eventually run dry and Missouri must have a smaller, more efficient government in place. Finally, receipt of many of these funds will be conditioned on at least maintaining, if not expanding, core government functions such as education and health care. Cutting such services, and refusing to use available resources directed to preserve such functions, is neither in the short-term nor long-term best interest of the state or the people it serves. Accordingly, for Fiscal Year 2010, \$809 million of federal stimulus funding money is included in the revenues available and to spend as general funds (and was true in Fiscal Years 2003-2004 when

federal stimulus funds also were provided) when it is needed. This sum was arrived at through conservative calculations of the major provisions under debate. However, if during the Missouri legislative session it becomes clear that the precise amount of budgetable stimulus funding varies materially from this sum, Governor Nixon will work with the General Assembly to reconcile the Fiscal Year 2010 variance.

Regardless of the high degree of certainty surrounding the availability of federal stimulus funding for Fiscal Year 2010, it must be clearly noted and understood that Governor Nixon is neither relying on, nor expecting, any such funds in solving the historic shortfalls existing in the Fiscal Year 2009 Budget. The administration is ready and able to reduce expenses as necessary in order to stay within anticipated revenues and ensure the Fiscal Year 2009 Budget remains balanced.

VI. REVENUE LIMITATION AMENDMENT

Article X of the Missouri Constitution establishes a revenue and spending limit on state government. The limit is about 5.6 percent of Missouri personal income, based on the relationship between personal income and total state revenues when the limit was established and approved by voters in November 1980. Calculations made pursuant to Article X of the Missouri Constitution show that total state revenues for Fiscal Year 2008 were below the total state revenue limit by nearly \$1.2 billion.

The Office of Administration projects that total state revenues will not exceed the total state revenue limit in Fiscal Years 2009 or 2010. These preliminary calculations are subject to change as actual state revenue collections become known and as the federal government revises its estimates of Missouri personal income. Though Governor Nixon's Fiscal Year 2010 Budget neither assumes nor would permit any tax increases, these projections could change if the General Assembly were to pass legislation to increase taxes without a vote of the people. Pursuant to Article X of the Missouri Constitution, revenue approved by the voters is not subject to the revenue and spending limit.

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

"Net new annual revenues" is defined as the net increase in annual revenues produced by the total of all tax or fee increases by the General Assembly in a

fiscal year, less refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year.

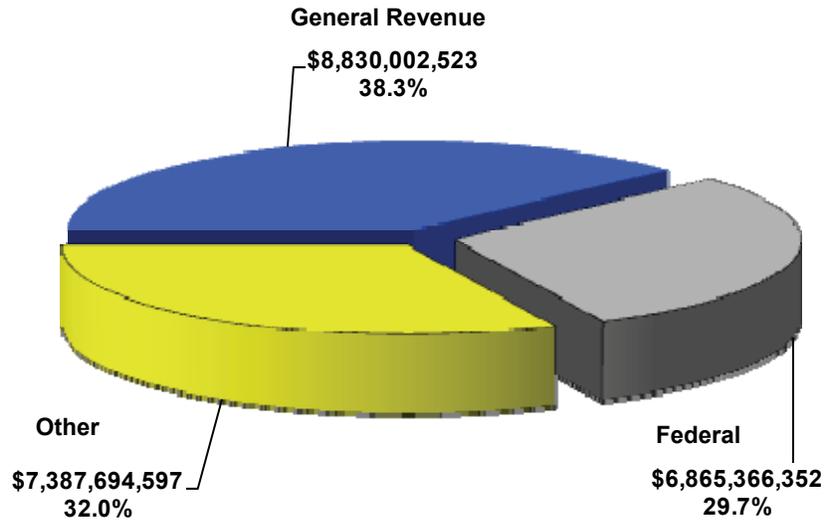
For Fiscal Year 2008, these limits were \$88.8 million for the personal income amount and \$86.0 million for the one percent of total state revenues amount. Legislative actions in the 2008 session resulted in a reduction of \$124.7 million in state revenues, which is clearly below the constitutional limit.

For Fiscal Year 2009, the limits are calculated at \$92.2 million for the personal income amount and \$89.9 million for the one percent of total state revenues amount.

FY 2010 TOTAL OPERATING BUDGET

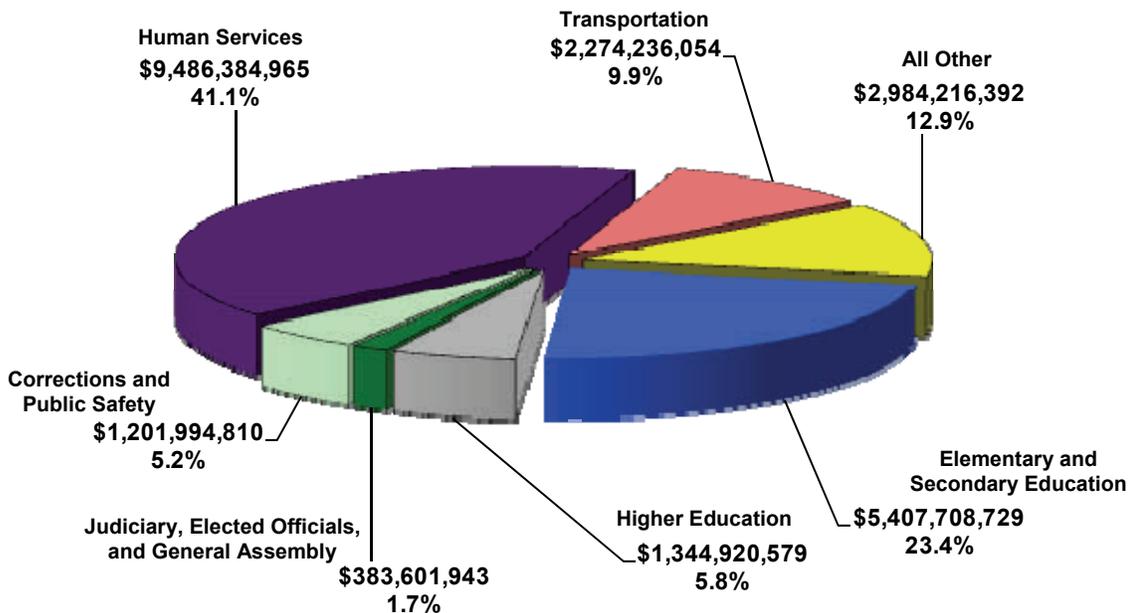
SOURCES OF FUNDS

Total Funds* \$23,083,063,472



GOVERNOR'S RECOMMENDED OPERATING BUDGET—ALL FUNDS

Total Appropriations* \$23,083,063,472



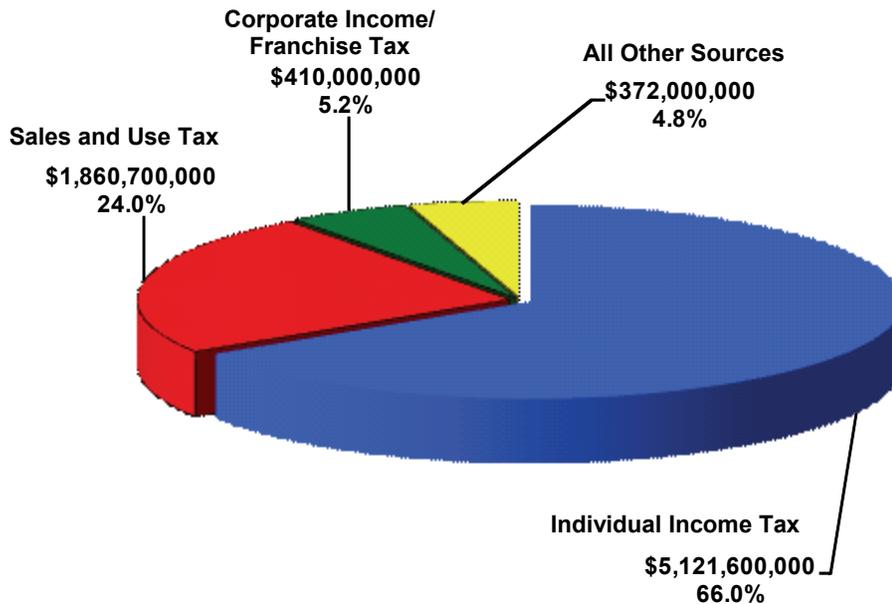
*Excludes refunds

GENERAL REVENUE RECEIPTS AND ESTIMATES

	Actual Receipts <u>FY 2008</u>	Consensus Estimate <u>FY 2009</u>	Consensus Estimate <u>FY 2010</u>
<u>Collections</u>			
Individual Income Tax	\$ 6,110,159,127	\$ 6,079,300,000	\$ 6,131,200,000
Sales and Use Tax	2,000,469,768	1,927,400,000	1,929,200,000
Corporate Income/Franchise Tax	613,499,479	542,000,000	542,000,000
County Foreign Insurance Tax	209,633,065	215,000,000	222,000,000
Liquor Tax	26,128,940	27,500,000	27,000,000
Beer Tax	8,476,533	8,600,000	8,500,000
Inheritance/Estate Tax	3,451,099	2,300,000	0
Interest on Deposits and Investments	63,648,043	45,000,000	34,000,000
Federal Reimbursements	78,235,708	81,800,000	79,200,000
All Other Sources	148,570,821	145,200,000	147,200,000
Total General Revenue Collections	9,262,272,583	9,074,100,000	9,120,300,000
Refunds	(1,258,397,641)	(1,386,700,000)	(1,356,000,000)
Net General Revenue Collections	\$ 8,003,874,942	\$ 7,687,400,000	\$ 7,764,300,000
Net Growth Rate		-3.95%	1.00%

FY 2010 CONSENSUS REVENUE ESTIMATE

Net General Revenue \$7,764,300,000



GENERAL REVENUE SUMMARY

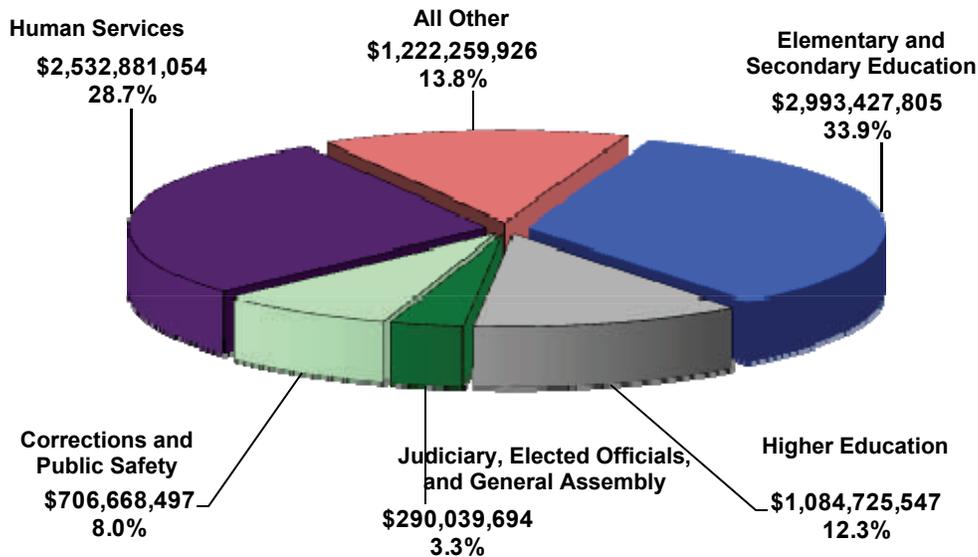
RESOURCES	FY 2008	FY 2009	FY 2010
Beginning Balance	\$ 597,888,724	\$ 545,131,560	\$ 0
Previous Year's Lapse ¹	155,113,164	290,692,220	201,255,196
Revenue Collections	9,262,272,573	9,074,100,000	9,120,300,000
Refunds	(1,258,397,641)	(1,386,700,000)	(1,356,000,000)
Federal Stimulus Receipts ²	0	0	809,200,000
Transfers to Fund	153,096,204	154,100,000	175,300,000
Total Resources Available	\$ 8,909,973,024	\$ 8,677,323,780	\$ 8,950,055,196
OBLIGATIONS			
Operating Appropriations	\$ 8,212,907,639	\$ 8,639,388,717	\$ 8,830,002,523
Supplementals	55,144,763	35,531,247	50,000,000
Increased Estimateds	24,709,822	30,000,000	20,000,000
Capital Appropriations ³	72,079,240	149,132,086	50,000,000
Expenditure Reductions	0	(176,728,270)	0
Total Obligations	\$ 8,364,841,464	\$ 8,677,323,780	\$ 8,950,002,523
Ending Balance	\$ 545,131,560	\$ 0	\$ 52,673

NOTES TO GENERAL REVENUE SUMMARY

1. Unexpended appropriations are counted as a resource in the next fiscal year to avoid premature commitment of uncertain resources until actual lapses are known. This includes reserves authorized by Section 33.290, RSMo.
2. Fiscal Year 2010 includes \$809,200,000 for state fiscal stabilization from the American Recovery and Reinvestment Act of 2009.
3. The Fiscal Year 2010 Capital Budget (including new construction, maintenance/repair and re-appropriations) funded with these general revenue amounts, as well as other funds, will be presented at a later date.

GOVERNOR'S RECOMMENDED OPERATING BUDGET—GENERAL REVENUE

Total Appropriations* \$8,830,002,523



*Excludes refunds

THE MISSOURI BUDGET

FY 2010 OPERATING BUDGET SUMMARY

House Bill	FY 2008 <u>Expenditures</u>	FY 2009 <u>Appropriations</u>	Governor's Recommendation <u>FY 2010</u>	
1	<u>Public Debt</u>			
	General Revenue	\$ 86,184,780	\$ 89,899,194	\$ 83,604,814
	Federal Funds	0	0	0
	Other Funds	6,022,007	8,332,977	8,447,482
	Total	\$ 92,206,787	\$ 98,232,171	\$ 92,052,296
2	<u>Elementary and Secondary Education</u>			
	General Revenue	\$ 2,863,156,687	\$ 3,002,412,965	\$ 2,993,427,805
	Federal Funds	848,306,738	950,859,501	972,040,273
	Other Funds	1,403,773,780	1,393,864,003	1,442,240,651
	Total	\$ 5,115,237,205	\$ 5,347,136,469	\$ 5,407,708,729
3	<u>Higher Education</u>			
	General Revenue	\$ 910,107,089	\$ 1,028,804,430	\$ 1,084,725,547
	Federal Funds	2,524,573	5,119,468	6,176,241
	Other Funds	212,266,303	233,227,295	254,018,791
	Total	\$ 1,124,897,965	\$ 1,267,151,193	\$ 1,344,920,579
4	<u>Revenue</u>			
	General Revenue	\$ 86,524,673	\$ 89,434,513	\$ 83,865,389
	Federal Funds	4,080,483	6,419,221	6,677,204
	Other Funds	364,980,831	345,723,127	346,114,192
	Total	\$ 455,585,987	\$ 441,576,861	\$ 436,656,785
4	<u>Transportation</u>			
	General Revenue	\$ 12,371,541	\$ 13,142,698	\$ 14,192,923
	Federal Funds	63,773,263	73,961,070	75,150,687
	Other Funds	2,123,962,331	2,371,084,670	2,184,892,444
	Total	\$ 2,200,107,135	\$ 2,458,188,438	\$ 2,274,236,054
5	<u>Office of Administration</u>			
	General Revenue	\$ 168,383,623	\$ 181,888,270	\$ 172,735,297
	Federal Funds	60,988,134	72,891,737	72,698,333
	Other Funds	44,970,162	64,286,477	62,521,367
	Total	\$ 274,341,919	\$ 319,066,484	\$ 307,954,997
5	<u>Employee Benefits</u>			
	General Revenue	\$ 507,588,215	\$ 526,370,644	\$ 595,127,070
	Federal Funds	139,003,523	158,036,143	188,926,753
	Other Funds	139,558,969	152,983,837	170,640,954
	Total	\$ 786,150,707	\$ 837,390,624	\$ 954,694,777
6	<u>Agriculture</u>			
	General Revenue	\$ 36,421,911	\$ 57,718,487	\$ 63,270,916
	Federal Funds	2,031,585	4,614,629	3,638,844
	Other Funds	10,515,030	14,379,809	14,074,474
	Total	\$ 48,968,526	\$ 76,712,925	\$ 80,984,234

THE MISSOURI BUDGET

FY 2010 OPERATING BUDGET SUMMARY

House Bill	FY 2008 Expenditures	FY 2009 Appropriations	Governor's Recommendation FY 2010
6	<u>Natural Resources</u>		
General Revenue	\$ 11,742,801	\$ 15,153,322	\$ 13,326,399
Federal Funds	30,905,237	42,541,044	43,116,651
Other Funds	212,350,583	270,532,637	263,966,160
Total	\$ 254,998,621	\$ 328,227,003	\$ 320,409,210
6	<u>Conservation</u>		
General Revenue	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	1
Other Funds	139,052,809	145,534,841	145,534,841
Total	\$ 139,052,809	\$ 145,534,841	\$ 145,534,842
7	<u>Economic Development</u>		
General Revenue	\$ 57,922,016	\$ 72,555,297	\$ 81,193,190
Federal Funds	136,268,982	167,647,376	164,755,746
Other Funds	39,024,169	75,598,552	65,817,664
Total	\$ 233,215,167	\$ 315,801,225	\$ 311,766,600
7	<u>Insurance, Financial Institutions and Professional Registration</u>		
General Revenue	\$ 0	\$ 0	\$ 0
Federal Funds	692,650	700,000	700,001
Other Funds	29,206,845	36,171,835	36,741,321
Total	\$ 29,899,495	\$ 36,871,835	\$ 37,441,322
7	<u>Labor and Industrial Relations</u>		
General Revenue	\$ 2,481,196	\$ 2,646,233	\$ 2,323,402
Federal Funds	44,112,195	47,444,717	48,072,806
Other Funds	88,966,042	77,183,848	95,592,998
Total	\$ 135,559,433	\$ 127,274,798	\$ 145,989,206
8	<u>Public Safety</u>		
General Revenue	\$ 75,463,330	\$ 88,660,485	\$ 88,378,127
Federal Funds	202,664,289	131,485,935	130,661,462
Other Funds	260,752,349	307,324,567	308,376,265
Total	\$ 538,879,968	\$ 527,470,987	\$ 527,415,854
9	<u>Corrections</u>		
General Revenue	\$ 554,717,423	\$ 612,500,212	\$ 618,290,370
Federal Funds	5,562,860	6,941,995	6,919,861
Other Funds	37,221,577	50,634,406	49,368,725
Total	\$ 597,501,860	\$ 670,076,613	\$ 674,578,956
10	<u>Mental Health</u>		
General Revenue	\$ 586,151,801	\$ 616,597,388	\$ 629,846,417
Federal Funds	451,624,580	500,992,156	546,612,597
Other Funds	34,389,473	41,934,883	41,801,097
Total	\$ 1,072,165,854	\$ 1,159,524,427	\$ 1,218,260,111

THE MISSOURI BUDGET

FY 2010 OPERATING BUDGET SUMMARY

<u>House Bill</u>	<u>FY 2008 Expenditures</u>	<u>FY 2009 Appropriations</u>	<u>Governor's Recommendation FY 2010</u>
10	<u>Health and Senior Services</u>		
General Revenue	\$ 228,999,445	\$ 243,607,994	\$ 253,861,566
Federal Funds	552,870,721	586,115,078	619,991,896
Other Funds	19,886,754	25,440,709	24,385,859
Total	\$ 801,756,920	\$ 855,163,781	\$ 898,239,321
11	<u>Social Services</u>		
General Revenue	\$ 1,424,702,451	\$ 1,599,886,697	\$ 1,649,173,071
Federal Funds	3,023,290,964	3,565,044,825	3,920,180,903
Other Funds	1,760,015,509	1,725,213,763	1,800,531,559
Total	\$ 6,208,008,924	\$ 6,890,145,285	\$ 7,369,885,533
12	<u>Elected Officials</u>		
General Revenue	\$ 53,129,921	\$ 50,843,746	\$ 51,398,881
Federal Funds	10,384,178	23,548,603	23,678,481
Other Funds	49,623,091	42,217,222	45,594,480
Total	\$ 113,137,190	\$ 116,609,571	\$ 120,671,842
12	<u>Judiciary</u>		
General Revenue	\$ 163,977,569	\$ 168,964,851	\$ 168,228,581
Federal Funds	6,351,553	10,408,187	10,535,501
Other Funds	11,284,461	10,518,330	10,349,833
Total	\$ 181,613,583	\$ 189,891,368	\$ 189,113,915
12	<u>Public Defender</u>		
General Revenue	\$ 32,826,287	\$ 34,069,815	\$ 35,015,969
Federal Funds	39,000	125,000	125,001
Other Funds	1,731,364	2,980,263	2,984,149
Total	\$ 34,596,651	\$ 37,175,078	\$ 38,125,119
12	<u>General Assembly</u>		
General Revenue	\$ 31,465,100	\$ 34,275,667	\$ 35,396,263
Federal Funds	0	0	0
Other Funds	167,067	292,255	294,804
Total	\$ 31,632,167	\$ 34,567,922	\$ 35,691,067
13	<u>Real Estate</u>		
General Revenue	\$ 102,766,528	\$ 109,955,809	\$ 112,620,526
Federal Funds	22,817,572	23,609,434	24,707,110
Other Funds	12,559,209	13,073,450	13,404,487
Total	\$ 138,143,309	\$ 146,638,693	\$ 150,732,123

THE MISSOURI BUDGET

FY 2010 OPERATING BUDGET SUMMARY

House Bill	FY 2008 <u>Expenditures</u>	FY 2009 <u>Appropriations</u>	Governor's Recommendation <u>FY 2010</u>
14 <u>Operating Supplemental</u>			
General Revenue	\$	\$ 35,504,247	\$
Federal Funds		50,432,155	
Other Funds		<u>60,613,748</u>	
Total	\$	\$ 146,550,150	\$
 <u>Total Operating Budget</u>			
General Revenue	\$ 7,997,084,387	\$ 8,674,892,964	\$ 8,830,002,523
Federal Funds	5,608,293,080	6,428,938,274	6,865,366,352
Other Funds	<u>7,002,280,715</u>	<u>7,469,147,504</u>	<u>7,387,694,597</u>
Total	\$ 20,607,658,182	\$ 22,572,978,742	\$ 23,083,063,472

**SUPPLEMENTAL RECOMMENDATIONS
FISCAL YEAR 2009**

	<u>GENERAL REVENUE</u>	<u>FEDERAL FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL*</u>
Department of Elementary and Secondary Education	\$ 5,369,903	\$ 321,067	\$ 29,592,717	\$ 35,283,687
Department of Revenue	1,145,769	250,500	203,902	1,600,171
Department of Transportation	500,000	0	0	500,000
Office of Administration	0	16	5,000,000	5,000,016
Department of Economic Development	97,480	0	48,000	145,480
Department of Insurance, Financial Institutions and Professional Registration	0	0	65,128	65,128
Department of Labor and Industrial Relations	0	0	14,453,281	14,453,281
Department of Public Safety	324,704	0	1,220,287	1,544,991
Department of Corrections	3,707,451	0	0	3,707,451
Department of Mental Health	6,432,472	5,378,866	0	11,811,338
Department of Health and Senior Services	15,688,000	26,712,000	0	42,400,000
Department of Social Services	1,044,496	17,137,756	9,281,445	27,463,697
Elected Officials	44,067	0	0	44,067
Statewide Leasing	<u>1,149,905</u>	<u>631,950</u>	<u>748,988</u>	<u>2,530,843</u>
TOTAL HOUSE BILL 14	\$ 35,504,247	\$ 50,432,155	\$ 60,613,748	\$ 146,550,150

*Excludes refunds and other items not included in Executive Budget totals.

PUBLIC DEBT

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Administration	\$ 20,678	\$ 20,002	\$ 20,004	\$ 20,004
Fourth State Building Bonds	16,402,049	18,806,732	17,771,732	18,355,982
Water Pollution Control Bonds	28,810,751	36,573,028	36,947,539	36,947,539
Stormwater Control Bonds	2,408,719	3,201,221	3,315,833	3,315,833
Third State Building Bonds	44,501,131	39,631,188	33,412,938	33,412,938
Bond Issuance Costs	63,459	0	0	0
TOTAL	\$ 92,206,787	\$ 98,232,171	\$ 91,468,046	\$ 92,052,296
General Revenue Fund	86,184,780	89,899,194	83,020,564	83,604,814
WPC Series A 2007-37G-Other	30,460	0	1	1
WPC Series A 2007-37E-Other	32,999	0	1	1
Water and Wastewater Loan Revolving Fund	5,958,548	8,332,977	8,447,480	8,447,480

State of Missouri general obligation bond issues consistently have received the highest ratings, "Triple A", from Moody's Investors Service, Standard and Poor's Corporation, and Fitch Ratings. Missouri is one of only seven states that has this rating from all three rating organizations. The other states are Delaware, Georgia, Maryland, North Carolina, Utah, and Virginia. General obligation bonds can only be issued through voter-approved amendments to the state constitution. Currently, outstanding general obligation bonds are for the four purposes identified below.

Fourth State Building Bonds: In August 1994, Missouri voters approved a fourth state building bond issue of \$250 million to provide essential prison capacity, new residential beds for juvenile offenders, and significant new higher education construction and renovation.

Water Pollution Control Bonds: Missouri voters approved water pollution control bond issuances of \$725 million. Water pollution control bond proceeds help local governments construct wastewater and stormwater control facilities and improve public drinking water systems. These infrastructure improvements support local economic development, protect Missouri waterways from pollution, and help ensure safe drinking water supplies.

Stormwater Control Bonds: In November 1998, Missouri voters approved stormwater control bond issuances of \$200 million for stormwater control plans, studies, and projects.

Third State Building Bonds: In 1982, Missouri voters approved \$600 million in bonds to be issued for improvements to state buildings and property.

PUBLIC DEBT

ADMINISTRATION OF PUBLIC DEBT

The Board of Fund Commissioners administers the general obligation bonded indebtedness of the state. The board is comprised of the following members pursuant to Section 33.300, RSMo: Governor, Lieutenant Governor, Attorney General, State Auditor, State Treasurer, and Commissioner of Administration. Administrative expenses are associated with the sale and processing of the state's general obligation bonds. The board directs the payment of principal and interest on state debt. General obligation bonds issued by the State of Missouri are rated "Triple A" by Moody's Investors Service, Standard and Poor's Corporation, and Fitch Ratings. In addition, the Board of Fund Commissioners is obligated to repay to the United States Treasury excess interest earnings (arbitrage rebate) on water pollution control bonds, stormwater control bonds, third state building bonds, and fourth state building bonds.

Fiscal Year 2010 Governor's Recommendations

- \$20,004 for the administration of public debt, including \$20,002 general revenue.

FOURTH STATE BUILDING BONDS DEBT SERVICE

Missouri voters approved \$250 million in fourth state building bonds under the provisions of Article III, Section 37, Missouri Constitution to be used for capital improvement projects at state facilities and higher education institutions. Bond sales were authorized by the General Assembly in Fiscal Year 1995, and bonds were then sold on a cash-as-needed basis to meet scheduled construction timetables. With the final sale of \$50 million on June 1, 1998, all \$250 million in voter-approved bonds have been issued.

This appropriation provides for principal and interest payments on fourth state building bonds now outstanding. The money is transferred from general revenue to the Fourth State Building Bond and Interest Fund one year in advance of its appropriation.

Fiscal Year 2010 Governor's Recommendations

- \$18,355,982 for the transfer of general revenue for debt service on fourth state building bonds currently outstanding.

PUBLIC DEBT

SUMMARY OF FOURTH STATE BUILDING BONDS ISSUANCES

<u>Issuance</u>	<u>Final Maturity Fiscal Year</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Repaid</u>	<u>Principal Amount Refunded/Deceased</u>	<u>Principal Outstanding As of 1/1/09</u>
Series A 1995	2005	\$ 75,000,000	\$ 18,700,000	\$ 56,300,000	\$ 0
Series A 1996	Refunded	125,000,000	24,800,000	100,200,000	0
Series A 1998	Refunded	50,000,000	9,030,000	40,970,000	0
Totals Excluding Refunding Issues		\$ 250,000,000	\$ 52,530,000	\$ 197,470,000	\$ 0
Series A 2002 Refunding	2022	154,840,000	17,380,000	0	137,460,000
Series A 2005 Refunding	2017	45,330,000	0	1,035,000	44,295,000
Totals Including Refunding Issuances		\$ 450,170,000	\$ 69,910,000	\$ 198,505,000	\$ 181,755,000

**FOURTH STATE BUILDING BONDS
COMPOSITE SCHEDULE OF DEBT SERVICE REQUIREMENTS**

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1996	\$ 1,380,000.00	\$ 4,311,020.00	\$ 5,691,020.00
1997	1,480,000.00	7,773,776.25	9,253,776.25
1998	4,260,000.00	11,177,882.50	15,437,882.50
1999	5,625,000.00	13,406,382.50	19,031,382.50
2000	5,900,000.00	13,077,082.50	18,977,082.50
2001	6,160,000.00	12,716,357.50	18,876,357.50
2002	6,470,000.00	12,339,770.00	18,809,770.00
2003	6,765,000.00	11,156,394.27	17,921,394.27
2004	7,080,000.00	10,498,993.76	17,578,993.76
2005	7,410,000.00	10,043,368.76	17,453,368.76
2006	0.00	8,981,897.93	8,981,897.93
2007	1,470,000.00	9,499,181.26	10,969,181.26
2008	7,780,000.00	9,306,831.26	17,086,831.26
2009	8,130,000.00	8,896,231.26	17,026,231.26
2010	10,320,000.00	8,434,981.26	18,754,981.26
2011	10,440,000.00	7,915,981.26	18,355,981.26
2012	9,415,000.00	7,419,606.26	16,834,606.26
2013	18,180,000.00	6,729,731.26	24,909,731.26
2014	10,295,000.00	6,101,503.13	16,396,503.13
2015	20,620,000.00	5,412,275.00	26,032,275.00
2016	22,200,000.00	4,341,775.00	26,541,775.00
2017	23,750,000.00	3,193,025.00	26,943,025.00
2018	12,450,000.00	2,288,025.00	14,738,025.00
2019	13,095,000.00	1,649,400.00	14,744,400.00
2020	13,700,000.00	1,039,462.50	14,739,462.50
2021	8,460,000.00	577,125.00	9,037,125.00
2022	8,830,000.00	198,675.00	9,028,675.00
TOTAL	\$ 251,665,000.00	\$ 198,486,735.42	\$ 450,151,735.42

Total principal includes refunding excess of \$2,700,000 which does not count toward the \$250 million constitutional authorization. Total principal has also been reduced by \$1,035,000 of legally deceased bonds.

PUBLIC DEBT

WATER POLLUTION CONTROL BONDS DEBT SERVICE

Missouri voters have authorized the state to sell \$725 million in water pollution control bonds under the provisions of Article III, Section 37, Missouri Constitution. Increments of bonds are then authorized by the General Assembly and issued on a cash-as-needed basis to fund wastewater treatment projects approved by the Missouri Clean Water Commission. Currently, \$594.5 million in bonds, excluding refunding issuances, have been issued. General revenue is transferred to the Water Pollution Control Bond and Interest Fund one year in advance of its appropriation for principal and interest payments.

Fiscal Year 2010 Governor's Recommendations

- \$36,947,539 for the transfer of general revenue for debt service on water pollution control bonds currently outstanding, including \$28,500,059 general revenue.

SUMMARY OF WATER POLLUTION CONTROL BONDS ISSUANCES

<u>Issuance</u>	<u>Final Maturity Fiscal Year</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Repaid</u>	<u>Principal Amount Refunded/Defeased</u>	<u>Principal Outstanding As of 1/1/09</u>
Series A 1972	1997	\$ 20,000,000	\$ 20,000,000	\$ 0	\$ 0
Series A 1974	1999	8,000,000	8,000,000	0	0
Series B 1974	1995	15,000,000	15,000,000	0	0
Series A 1977	1997	31,494,240	31,494,240	0	0
Series A 1981	Refunded	20,000,000	3,060,000	16,940,000	0
Series A 1983	Refunded	20,000,000	3,585,000	16,415,000	0
Series B 1983	Refunded	10,000,000	375,000	9,625,000	0
Series A 1985	Refunded	20,000,000	425,000	19,575,000	0
Series A 1986	Refunded	60,000,000	13,600,000	46,400,000	0
Series B 1987	Refunded	35,000,000	4,305,000	30,695,000	0
Series A 1989	Refunded	35,000,000	7,720,000	27,280,000	0
Series A 1991	Refunded	35,000,000	7,650,000	27,350,000	0
Series A 1992	Refunded	35,000,000	8,440,000	26,560,000	0
Series A 1993	2004	30,000,000	7,650,000	22,350,000	0
Series A 1995	2005	30,000,000	7,480,000	22,520,000	0
Series A 1996	Refunded	35,000,000	6,940,000	28,060,000	0
Series A 1998	Refunded	35,000,000	6,320,000	28,680,000	0
Series A 1999	Refunded	20,000,000	2,405,000	17,595,000	0
Series A 2001	2026	20,000,000	3,655,000	80,000	16,265,000
Series A 2002	2028	30,000,000	4,675,000	0	25,325,000
Series A 2007	2033	<u>50,000,000</u>	<u>1,105,000</u>	<u>0</u>	<u>48,895,000</u>
Totals Excluding Refunding Issuances		\$ 594,494,240	\$ 163,884,240	\$ 340,125,000	\$ 90,485,000
Series A 1987 Refunding	Refunded	49,715,000	16,475,000	33,240,000	0
Series B 1991 Refunding	Refunded	17,435,000	6,080,000	11,355,000	0
Series C 1991 Refunding	Refunded	33,575,000	11,700,000	21,875,000	0
Series B 1992 Refunding	Refunded	50,435,000	16,840,000	33,595,000	0
Series B 1993 Refunding	Refunded	109,415,000	32,875,000	76,540,000	0
Series B 2002 Refunding	2022	147,710,000	50,015,000	0	97,695,000
Series A 2003 Refunding	2017	74,655,000	2,715,000	51,535,000	20,405,000
Series A 2005 Refunding	2017	<u>95,100,000</u>	<u>0</u>	<u>0</u>	<u>95,100,000</u>
Totals Including Refunding Issuances		\$ 1,172,534,240	\$ 300,584,240	\$ 568,265,000	\$ 303,685,000

PUBLIC DEBT

**WATER POLLUTION CONTROL BONDS
COMPOSITE SCHEDULE OF DEBT SERVICE REQUIREMENTS**

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1973	\$ 570,000.00	\$ 930,188.68	\$ 1,500,188.68
1974	485,000.00	986,240.00	1,471,240.00
1975	705,000.00	1,751,569.56	2,456,569.56
1976	1,105,000.00	2,145,455.00	3,250,455.00
1977	1,160,000.00	2,080,357.50	3,240,357.50
1978	2,129,240.00	3,259,522.70	5,388,762.70
1979	2,240,000.00	3,405,992.50	5,645,992.50
1980	2,355,000.00	3,278,505.00	5,633,505.00
1981	2,475,000.00	3,146,440.00	5,621,440.00
1982	3,135,000.00	4,730,807.06	7,865,807.06
1983	3,165,000.00	4,694,670.00	7,859,670.00
1984	3,580,000.00	6,591,015.00	10,171,015.00
1985	3,915,000.00	6,805,965.00	10,720,965.00
1986	4,325,000.00	8,378,860.00	12,703,860.00
1987	4,650,000.00	10,567,758.28	15,217,758.28
1988	4,840,000.00	11,131,392.44	15,971,392.44
1989	6,805,000.00	13,815,388.63	20,620,388.63
1990	7,225,000.00	14,573,892.38	21,798,892.38
1991	8,240,000.00	15,275,401.13	23,515,401.13
1992	8,770,000.00	14,529,565.51	23,299,565.51
1993	10,110,000.00	16,610,720.57	26,720,720.57
1994	11,540,000.00	15,670,014.33	27,210,014.33
1995	13,690,000.00	16,312,826.27	30,002,826.27
1996	13,880,000.00	17,131,521.28	31,011,521.28
1997	14,790,000.00	17,175,506.28	31,965,506.28
1998	12,605,000.00	17,258,681.28	29,863,681.28
1999	14,210,000.00	18,152,123.78	32,362,123.78
2000	14,525,000.00	17,798,035.65	32,323,035.65
2001	15,690,000.00	17,488,317.53	33,178,317.53
2002	16,375,000.00	17,663,053.78	34,038,053.78
2003	15,325,000.00	15,878,275.62	31,203,275.62
2004	12,470,000.00	15,001,903.93	27,471,903.93
2005	13,075,000.00	14,905,332.54	27,980,332.54
2006	11,130,000.00	13,014,879.19	24,144,879.19
2007	11,735,000.00	13,626,462.52	25,361,462.52
2008	13,895,000.00	14,193,349.81	28,088,349.81
2009	14,270,000.00	14,664,012.52	28,934,012.52
2010	22,825,000.00	13,744,025.02	36,569,025.02
2011	24,370,000.00	12,577,537.52	36,947,537.52
2012	40,235,000.00	10,988,878.14	51,223,878.14
2013	24,270,000.00	9,447,693.76	33,717,693.76
2014	31,895,000.00	8,208,415.01	40,103,415.01
2015	23,695,000.00	6,972,756.26	30,667,756.26
2016	21,815,000.00	5,906,962.51	27,721,962.51
2017	24,470,000.00	4,796,368.76	29,266,368.76
2018	12,515,000.00	3,904,231.26	16,419,231.26
2019	10,395,000.00	3,350,262.51	13,745,262.51
2020	8,640,000.00	2,913,250.01	11,553,250.01
2021	6,705,000.00	2,585,718.76	9,290,718.76
2022	7,005,000.00	2,283,712.51	9,288,712.51
2023	4,760,000.00	2,017,437.51	6,777,437.51
2024	4,990,000.00	1,793,981.26	6,783,981.26
2025	5,235,000.00	1,552,156.26	6,787,156.26
2026	5,410,000.00	1,290,012.51	6,700,012.51
2027	4,360,000.00	1,016,868.76	5,376,868.76
2028	4,570,000.00	793,618.76	5,363,618.76
2029	2,720,000.00	618,168.76	3,338,168.76
2030	2,845,000.00	492,956.26	3,337,956.26
2031	2,980,000.00	361,893.76	3,341,893.76
2032	3,115,000.00	222,809.38	3,337,809.38
2033	3,260,000.00	75,387.50	3,335,387.50
TOTAL	\$ 604,269,240.00	\$ 502,539,106.00	\$ 1,106,808,346.00

Total principal includes refunding excess of \$9,855,000 which does not count toward the \$725 million constitutional authorization. Total principal has also been reduced by \$80,000 of legally defeased bonds.

PUBLIC DEBT

STORMWATER CONTROL BONDS DEBT SERVICE

Missouri voters have authorized the state to sell \$200 million in stormwater control bonds under the provisions of Article III, Section 37, Missouri Constitution. Increments of bonds are then authorized by the General Assembly and issued on a cash-as-needed basis to fund stormwater control projects. Currently, \$45 million in bonds, excluding refunding issuances, have been issued. General revenue is transferred to the Stormwater Control Bond and Interest Fund one year in advance of its appropriation for payment of principal and interest.

Fiscal Year 2010 Governor's Recommendations

- \$3,315,833 for the transfer of general revenue for debt service on stormwater control bonds currently outstanding.

SUMMARY OF STORMWATER CONTROL BONDS ISSUANCES

<u>Issuance</u>	<u>Final Maturity Fiscal Year</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Repaid</u>	<u>Principal Amount Refunded/Defeased</u>	<u>Principal Outstanding As of 1/1/09</u>
Series A 1999	Refunded	\$ 20,000,000	\$ 2,405,000	\$ 17,595,000	\$ 0
Series A 2001	2026	10,000,000	1,830,000	235,000	7,935,000
Series A 2002	2028	<u>15,000,000</u>	<u>2,335,000</u>	<u>1,640,000</u>	<u>11,025,000</u>
Totals Excluding Refunding Issuances		\$ 45,000,000	\$ 6,570,000	\$ 19,470,000	\$ 18,960,000
Series A 2005 Refunding	2016	<u>17,175,000</u>	<u>0</u>	<u>0</u>	<u>17,175,000</u>
Total Including Refunding Issuances		\$ 62,175,000	\$ 6,570,000	\$ 19,470,000	\$ 36,135,000

PUBLIC DEBT

**STORMWATER CONTROL BONDS
COMPOSITE SCHEDULE OF DEBT SERVICE REQUIREMENTS**

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2000	\$ 0.00	\$ 541,461.88	\$ 541,461.88
2001	445,000.00	1,070,352.51	1,515,352.51
2002	695,000.00	1,535,101.26	2,230,101.26
2003	725,000.00	1,820,680.01	2,545,680.01
2004	1,095,000.00	2,093,433.76	3,188,433.76
2005	1,145,000.00	2,037,133.76	3,182,133.76
2006	650,000.00	1,712,090.83	2,362,090.83
2007	680,000.00	1,899,170.00	2,579,170.00
2008	705,000.00	1,821,776.25	2,526,776.25
2009	730,000.00	1,754,907.52	2,484,907.52
2010	1,405,000.00	1,702,470.02	3,107,470.02
2011	1,690,000.00	1,625,832.52	3,315,832.52
2012	3,205,000.00	1,510,548.14	4,715,548.14
2013	3,850,000.00	1,341,988.76	5,191,988.76
2014	4,255,000.00	1,146,208.76	5,401,208.76
2015	4,540,000.00	933,193.76	5,473,193.76
2016	4,215,000.00	720,443.76	4,935,443.76
2017	1,010,000.00	592,700.01	1,602,700.01
2018	1,060,000.00	543,131.26	1,603,131.26
2019	1,110,000.00	494,068.76	1,604,068.76
2020	1,165,000.00	442,312.51	1,607,312.51
2021	1,220,000.00	387,156.26	1,607,156.26
2022	1,280,000.00	328,409.38	1,608,409.38
2023	1,340,000.00	265,393.75	1,605,393.75
2024	1,410,000.00	198,887.50	1,608,887.50
2025	1,480,000.00	129,462.50	1,609,462.50
2026	1,320,000.00	56,637.50	1,376,637.50
2027	280,000.00	7,000.00	287,000.00
TOTAL	\$ 42,705,000.00	\$ 28,711,952.93	\$ 71,416,952.93

Total principal includes refunding excess of (\$420,000) which does not count toward the \$200 million constitutional authorization. Total principal has also been reduced by \$1,875,000 of legally defeased bonds.

PUBLIC DEBT

THIRD STATE BUILDING BONDS DEBT SERVICE

Missouri voters approved \$600 million in third state building bonds to be used for capital improvement projects at state facilities and for specific types of local economic development projects under Article III, Section 37, Missouri Constitution. The General Assembly authorized issuance of \$75 million for Fiscal Year 1983, \$50 million for Fiscal Year 1984, \$75 million for Fiscal Year 1985, and \$400 million for Fiscal Year 1986. Bonds were then sold on a cash-as-needed basis to meet scheduled construction timetables. With the final sale of \$75 million on December 1, 1987, all \$600 million in voter-approved bonds have been issued.

This appropriation provides for principal and interest payments on third state building bonds now outstanding. The money is transferred from general revenue to the Third State Building Bond Interest and Sinking Fund one year in advance of its appropriation.

Fiscal Year 2010 Governor's Recommendations

- \$33,412,938 for the transfer of general revenue for debt service on third state building bonds currently outstanding.

SUMMARY OF THIRD STATE BUILDING BONDS ISSUANCES

<u>Issuance</u>	<u>Final Maturity Fiscal Year</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Repaid</u>	<u>Principal Amount Refunded</u>	<u>Principal Outstanding As of 1/1/09</u>
Series A 1983	Refunded	\$ 40,000,000	\$ 7,165,000	\$ 32,835,000	\$ 0
Series B 1983	Refunded	35,000,000	1,325,000	33,675,000	0
Series A 1984	Refunded	50,000,000	1,870,000	48,130,000	0
Series A 1985	Refunded	75,000,000	1,625,000	73,375,000	0
Series A 1986	Refunded	325,000,000	73,645,000	251,355,000	0
Series B 1987	Refunded	<u>75,000,000</u>	<u>9,220,000</u>	<u>65,780,000</u>	<u>0</u>
Totals Excluding Refunding Issuances		\$ 600,000,000	\$ 94,850,000	\$ 505,150,000	\$ 0
Series A 1987 Refunding	Refunded	170,115,000	56,390,000	113,725,000	0
Series A 1991 Refunding	Refunded	34,870,000	11,935,000	22,935,000	0
Series B 1991 Refunding	Refunded	71,955,000	24,635,000	47,320,000	0
Series A 1992 Refunding	Refunded	273,205,000	92,035,000	181,170,000	0
Series A 1993 Refunding	Refunded	148,480,000	69,100,000	79,380,000	0
Series A 2002 Refunding	2013	211,630,000	142,955,000	0	68,675,000
Series A 2003 Refunding	2013	<u>75,650,000</u>	<u>64,920,000</u>	<u>0</u>	<u>10,730,000</u>
Totals Including Refunding Issuances		\$ 1,585,905,000	\$ 556,820,000	\$ 949,680,000	\$ 79,405,000

PUBLIC DEBT

**THIRD STATE BUILDING BONDS
COMPOSITE SCHEDULE OF DEBT SERVICE REQUIREMENTS**

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1984	\$ 470,000.00	\$ 4,842,987.50	\$ 5,312,987.50
1985	1,490,000.00	11,034,230.00	12,524,230.00
1986	2,270,000.00	17,725,712.50	19,995,712.50
1987	2,745,000.00	30,902,276.22	33,647,276.22
1988	5,865,000.00	36,209,164.83	42,074,164.83
1989	11,430,000.00	44,179,397.16	55,609,397.16
1990	12,280,000.00	43,153,872.16	55,433,872.16
1991	13,235,000.00	42,050,290.91	55,285,290.91
1992	14,230,000.00	37,998,667.16	52,228,667.16
1993	15,755,000.00	36,585,883.33	52,340,883.33
1994	17,280,000.00	32,547,322.96	49,827,322.96
1995	20,000,000.00	30,798,942.51	50,798,942.51
1996	21,550,000.00	29,172,938.76	50,722,938.76
1997	23,175,000.00	27,523,861.26	50,698,861.26
1998	23,985,000.00	25,883,931.26	49,868,931.26
1999	28,305,000.00	24,158,196.88	52,463,196.88
2000	30,345,000.00	22,248,060.00	52,593,060.00
2001	31,485,000.00	20,471,257.50	51,956,257.50
2002	31,615,000.00	18,933,312.50	50,548,312.50
2003	29,340,000.00	14,477,728.61	43,817,728.61
2004	19,370,000.00	13,017,349.86	32,387,349.86
2005	33,930,000.00	12,602,912.50	46,532,912.50
2006	39,195,000.00	10,925,562.50	50,120,562.50
2007	41,535,000.00	8,974,287.50	50,509,287.50
2008	44,015,000.00	6,981,862.50	50,996,862.50
2009	41,925,000.00	4,979,687.50	46,904,687.50
2010	36,615,000.00	3,016,187.50	39,631,187.50
2011	32,115,000.00	1,297,937.50	33,412,937.50
2012	5,185,000.00	375,631.25	5,560,631.25
2013	5,490,000.00	128,100.00	5,618,100.00
TOTAL	\$ 636,225,000.00	\$ 613,197,552.62	\$ 1,249,422,552.62

Total principal includes refunding excess of \$36,225,000 which does not count toward the \$600 million constitutional authorization.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
General Administration	\$ 208,589,762	\$ 240,715,438	\$ 251,672,759	\$ 250,706,675
Public School Aid	4,054,571,321	4,172,780,739	4,390,126,219	4,228,861,413
School Improvement/Teacher				
Quality and Urban Education	346,868,408	390,654,366	445,213,967	364,278,145
Vocational Rehabilitation	87,394,587	101,541,802	106,664,606	105,899,721
Career Education	63,295,789	71,490,151	82,295,045	71,515,500
Special Education	304,142,519	315,102,222	332,615,532	329,746,503
Board Operated Schools Operations	47,348,825	50,611,368	53,223,687	52,480,131
Commission for the Deaf and Hard of Hearing	370,718	445,208	487,247	410,723
Assistive Technology Council	2,655,276	3,785,175	3,886,230	3,799,918
Children's Services Commission	0	10,000	10,000	10,000
DEPARTMENTAL TOTAL	\$ 5,115,237,205	\$ 5,347,136,469 *	\$ 5,666,195,292	\$ 5,407,708,729
General Revenue Fund	129,954,962	135,398,387	219,551,486	137,138,959
Federal Funds	848,306,738	950,859,501	971,073,534	972,040,273
School District Bond Fund	341,237	392,000	392,000	392,000
Certification of Interpreters Fund	99,594	117,000	117,000	117,000
Independent Living Center Fund	353,021	390,556	390,556	390,556
Outstanding Schools Trust Fund **	587,317,691	644,817,690	644,817,691	518,600,000
Bingo Proceeds for Education Fund	1,707,167	1,707,167	1,707,167	1,707,167
Lottery Proceeds Fund	201,347,152	171,484,307	173,421,808	147,587,411
Children's Service Commission Fund	0	10,000	10,000	10,000
State School Moneys Fund ***	2,237,416,708	2,298,810,788	2,511,569,129	2,420,203,478
Handicapped Children's Trust Fund	58,832	30,000	30,000	30,000
Excellence in Education Fund	1,642,251	2,955,082	2,940,082	2,653,590
School District Trust Fund ****	772,820,016	803,700,000	803,700,001	760,600,000
After-School Retreat Reading and				
Assessment Grant Program Fund	0	0	10,000	10,000
Missouri Commission for the Deaf				
and Hard of Hearing Fund	750	52,100	52,100	53,093
Missouri Assistive Technology				
Council Funds	2,148,785	2,970,079	2,970,925	2,978,034
Classroom Trust Fund*****	311,285,315	311,285,314	311,285,315	307,100,979
Part C Early Intervention Fund	4,537,361	5,295,254	5,295,254	5,295,254
Early Childhood Development,				
Education and Care Fund	15,297,280	15,336,244	15,336,244	15,336,244
Rebuild Missouri Schools Fund	0	0	0	5,337,135
Schools First Elementary and Secondary	0	0	0	108,602,556
Education Improvement Fund*****				
School for the Blind Trust Fund	592,096	1,500,000	1,500,000	1,500,000
School for the Deaf Trust Fund	10,249	25,000	25,000	25,000
Full-time equivalent employees	1,664.98	1,830.21	1,832.21	1,715.71

* Does not include \$35,283,687 recommended in the Fiscal Year 2009 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Elementary and Secondary Education supplemental appropriations.

** Outstanding Schools Trust Fund receives an annual transfer from general revenue.

*** The State School Moneys Fund receives an annual transfer from general revenue, the Fair Share Fund, County Foreign Insurance Tax, and cigarette taxes.

**** The School District Trust Fund receives revenues generated by a one cent sales tax (Proposition C).

***** The Classroom Trust Fund receives an annual transfer from the Gaming Proceeds for Education Fund and unclaimed lottery prize money.

***** The Schools First Elementary and Secondary Education Improvement Fund, created by Proposition A (2008), receives an annual transfer from the Gaming Proceeds for Education Fund.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DEPARTMENT SUMMARY

Despite the current economic crisis, the Fiscal Year 2010 budget fulfills Missouri's commitment to K-12 education by fully funding the foundation formula at a total cost of \$3.5 billion. In addition, the State Board - operated schools (Missouri School for the Blind, Missouri School for the Deaf, and the Missouri Schools for the Severely Disabled) have been provided funding at the Fiscal Year 2009 level plus an additional \$1 million. Missouri's sheltered workshop funding is increasing by \$3.6 million to allow an \$18 per day, per employee, reimbursement rate. The First Steps Program will receive an additional \$1.15 million to bring the Fiscal Year 2010 funding to nearly \$17 million. High need and special education funding has increased nearly \$10 million and additional funds are being provided to maximize vocational rehabilitation grants for a total of over \$5 million. Science and technology is an important part of all students' education and \$1 million is being provided for the eMINTS – METS School Grant Program. Finally, funding for Missouri's alternative schools will increase by \$250,000 for the first increase to the program in the last five years. All of these additional resources are being provided at the same time that administrative salaries and overhead are being reduced by over \$1 million.

The Fiscal Year 2010 budget provides a total of \$5.4 billion for elementary and secondary education. The core functions provided by the Department of Elementary and Secondary Education include:

- Administering educational policies of the state and supervising instruction in the public schools.
- Distributing school funding, including the Foundation Program, and state and federal grant programs.
- Granting certificates of qualification and licenses to teach in the public schools of the state.
- Providing vocational rehabilitation services to Missourians with disabilities to help them obtain employment.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Administrative and Financial Services	\$ 5,129,679	\$ 7,065,660	\$ 6,335,882
Court-Ordered Payments	11,000,000	10,000,000	9,000,000
Early Grade Literacy/Professional Development	492,500	500,000	250,000
School Food Services	190,696,412	207,757,778	219,728,793
School District Bond Program	341,237	392,000	392,000
Federal Grants and Donations	929,934	15,000,000	15,000,000
TOTAL	\$ 208,589,762	\$ 240,715,438	\$ 250,706,675
General Revenue Fund	16,813,612	15,935,090	14,424,482
Federal Funds	189,402,012	221,038,266	233,039,103
Other Funds	2,374,138	3,742,082	3,243,090

GENERAL ADMINISTRATION

The Department of Elementary and Secondary Education is supervised by the State Board of Education, which consists of eight members appointed for eight-year terms by the Governor with the advice and consent of the Senate. The board appoints the Commissioner of Education as its chief administrative officer.

The Department of Elementary and Secondary Education's administrative responsibilities include the distribution of all federal and state funds to local school districts and other agencies. The department also administers the department's Court Ordered Payment Program. The Court Ordered Payment Program was a result of the 1997 desegregation settlement with Kansas City and St. Louis school districts. Operating payments have ended; however, transfer costs and capital outlays will continue through Fiscal Year 2010. As these payments phase out, savings will be redirected to the school foundation formula for the benefit of school districts across the state.

Other administrative functions of the department include the supervision and administration of the Early Grade Literacy Program, School Food Program, School District Bond Program, and Federal Grants and Donations.

Fiscal Year 2010 Governor's Recommendations

- \$11,971,015 federal funds for school food services.
- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$92,741 for pay plan, including \$55,403 general revenue.
- (\$1,057,520) and (10) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$566,011) general revenue.
- (\$1,000,000) core reduction for Court Ordered Payments to be redistributed to the foundation formula as required by law.
- (\$15,000) Excellence in Education Fund transferred to the Office of Administration for information technology services.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Foundation - Formula	\$ 2,871,673,147	\$ 2,956,969,738	\$ 3,010,204,075
Foundation - Small Schools Program	15,000,000	15,000,000	15,000,000
Foundation - Transportation	167,797,713	167,797,713	183,603,843
Foundation - Early Special Education	98,811,209	98,811,209	123,564,281
Foundation - Career Ladder	37,467,000	37,467,000	37,767,000
Foundation - Career Education	52,880,428	52,930,428	52,930,428
Foundation - Parent Education/Parents As Teachers	34,304,651	34,304,651	34,304,651
School District Trust Fund	772,820,016	803,700,000	760,600,000
Virtual Education	3,817,157	5,800,000	4,800,000
Rebuild Missouri Schools Fund	0	0	5,337,135
Intra District Metro Transportation	0	0	750,000
DEPARTMENT TOTAL	\$ 4,054,571,321	\$ 4,172,780,739	\$ 4,228,861,413
General Revenue	0	750,000	750,000
Outstanding Schools Trust Fund	586,115,086	643,615,085	517,522,395
Lottery Proceeds Fund	147,085,622	114,779,552	113,779,552
State School Moneys Fund	2,237,265,282	2,298,650,788	2,420,043,478
School District Trust Fund	772,820,016	803,700,000	760,600,000
Classroom Trust Fund	311,285,315	311,285,314	307,100,979
Rebuild Missouri Schools Fund	0	0	5,337,135
Schools First Education Improvement Fund	0	0	103,727,874

PUBLIC SCHOOL AID

A multitude of programs and funding sources are utilized to ensure all Missouri children receive a quality education. The bulk of state aid is distributed to districts via the foundation formula. In 2005, Senate Bill 287 was signed into law resulting in a new foundation formula to distribute state aid to Missouri schools. Missouri's foundation formula now apportions money to school districts based on a per-student target of adequate funding. State funds are distributed to school districts based on this "adequacy target" times the number of students, minus the funding provided through local property and other taxes. The formula provides additional funding for children struggling with the English language, financial constraints, and special needs. In addition, the formula uses a regional dollar value modifier to address cost of living differences throughout the state.

Revenues from the Fair Share Fund, County Foreign Insurance Tax, and Gaming Proceeds for Education Fund are distributed via the foundation formula.

- Fair Share Fund revenues are generated from tax receipts from four cents per cigarette pack established by Section 149.015, RSMo.
- County Foreign Insurance Tax revenues are generated from the receipts of a two percent, per annum tax levied on the direct premiums of insurance companies not based in Missouri but doing business in Missouri. One-half of the net receipts of the County Foreign Insurance Tax from the previous year are distributed to school districts.
- The Gaming Proceeds for Education funds are transferred to the Classroom Trust Fund, and then the Schools First Elementary and Secondary Education Improvement Fund, which are distributed directly to districts as components of the foundation formula.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

PUBLIC SCHOOL AID (Continued)

In addition to the foundation formula, Missouri’s Public School Aid includes funding for four categorical add-on programs.

- The transportation add-on pays school districts up to 75 percent of the allowable costs of school bus and other transportation.
- The Career Ladder Program provides an incentive to teachers, librarians, and counselors who voluntarily participate in professional development activities. This program is financed by state and local matching funds.
- Career education provides for a full range of career education programs, services, and activities relating to agricultural education; business, marketing, and cooperative education; family and consumer sciences; health sciences; and trade and industrial education.
- The Early Childhood Development Program provides state reimbursement to school districts that provide any of three programs for preschool children: 1) developmental screenings; 2) parent education; and 3) programs for the developmentally delayed.

The Small School Success Program provides additional funding for small school districts throughout the state. The School District Trust Fund provides additional funding distributed directly to districts to be used largely at their discretion. School District Trust Fund revenues are generated from Proposition C, which collects a one percent sales tax for elementary and secondary education.

In 2006, legislation was passed creating the Missouri Virtual School. The Missouri Virtual School will allow children to enroll in on-line classes. Students will have the option of enrolling full-time in the Virtual School or enrolling part-time allowing them to take courses not currently offered in their local school. Enrollment will be open to all students, public or private including home-schooled students.

Fiscal Year 2010 Governor’s Recommendations

- \$63,168,672 Schools First Elementary and Secondary Education Improvement Fund for the foundation formula.
- \$24,753,072 Schools First Elementary and Secondary Education Improvement Fund for the Early Childhood Special Education Program.
- \$15,806,130 Schools First Elementary and Secondary Education Improvement Fund for transportation funding through the foundation formula.
- \$5,337,135 Rebuild Missouri Schools Fund for emergency projects in two school districts through the loan repayment program.
- \$750,000 for intra-district metropolitan transportation funding under a St. Louis Public Schools pilot project.
- \$300,000 State School Moneys Fund for the Career Ladder Program.
- (\$43,100,000) School District Trust Fund core reduction to align the appropriation with anticipated revenues to the fund.
- (\$6,000,000) other funds core reduction from the Fiscal Year 2009 appropriation level.
- (\$4,184,335) Classroom Trust Fund core reduction to align the appropriation with Proposition A funding mandates and anticipated revenues to the fund.
- (\$750,000) core reduction for one-time expenditures.

To ensure adequate funding is available for Missouri’s Public School Aid, a number of transfers are made from general revenue (GR), the Gaming Proceeds for Education Fund (GPEF), and the Lottery Proceeds Fund (LPF) to the Outstanding Schools Trust Fund (OSTF), State School Moneys Fund (SSMF), the Classroom Trust Fund (CRTF), and the Schools First Elementary and Secondary Education Improvement Fund (SFEIF).

Transferred From	Transferred To	FY08 Actual	FY09 Appropriation	FY10 Recommended	FY10 Change
GR	OSTF	\$587,317,690	\$644,817,690	\$518,600,000	(\$126,217,690)
GR	SSMF	\$2,048,582,289	\$2,121,396,888	\$2,231,688,846	\$110,291,958
GR-County Foreign	SSMF	\$97,301,746	\$100,800,000	\$106,000,000	\$5,200,000
Fair Share Fund	SSMF	\$23,269,664	\$22,800,000	\$22,800,000	\$0
Gaming Proceeds For Education Fund	CRTF	\$297,314,439	\$299,625,742	\$297,314,440	(\$2,311,302)
Lottery Proceeds Fund – Unclaimed Prizes	CRTF	\$9,786,539	\$10,464,908	\$9,786,539	(\$678,369)
Gaming Proceeds For Education Fund	SFEIF	\$0	\$0	\$108,602,556	\$108,602,556

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION

The Division of School Improvement manages state and federal grant programs in addition to providing consultant services and technical assistance to local school districts. The division is comprised of three main areas: School Improvement and Accreditation, Curriculum Services and Assessment, and federal programs.

- School Improvement and Accreditation is responsible for the collection and maintenance of school core data, accrediting school districts through the Missouri School Improvement Program, supervising academically deficient schools, and administering Charter Schools.
- Curriculum Services and Assessment is responsible for providing curriculum technical assistance to school districts, overseeing the Missouri Assessment Program, providing support for gifted programs, and administering the Missouri Scholars and Fine Arts Academies.
- The division also monitors federal compliance with No Child Left Behind and manages multiple federal entitlement and discretionary grants.

The Division of Teacher Quality and Urban Education carries out the department's statutory obligations relating to educator certification, recruitment and retention, preparation, and professional development. The division is comprised of several sections including Educator Certification, Educator Preparation, Educator Recruitment and Retention, and Professional Development.

- Educator Certification is responsible for issuing and revoking certificates of license to teach, as well as maintaining records of certificated professionals.
- Educator Preparation administers MoSTEP, a program that evaluates professional education programs at Missouri higher education institutions.
- Educator Recruitment and Retention provides technical assistance to local districts and oversees programs including Career Ladder, professional staff tuition reimbursement, and scholarship programs.
- Professional Development designs, implements, and evaluates a variety of professional development events related to school improvement, instructional leadership, and student success.

Fiscal Year 2010 Governor's Recommendations

- \$1,000,000 for eMINTS (enhancing Missouri's Instructional Networked Teaching Strategies) classroom technology.
- \$250,000 for expansion of the Safe Schools Program.
- \$200,000 federal funds for the Wallace Foundation Grant Program.
- \$200,000 for charter schools evaluation.
- \$1,200 federal funds for the Missouri History Teacher of the Year.
- \$155,668 for pay plan, including \$66,728 general revenue.
- (\$25,336,524) transferred to the Department of Higher Education for the Missouri Promise Program, including (\$3,477,076) general revenue.
- (\$1,130,095) and (12) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$427,647) general revenue.
- (\$1,062,500) core reduction for one-time expenditures, including (\$1,000,000) general revenue.
- (\$249,000) transferred to the Department of Higher Education to move administration of the Missouri Teacher Education Scholarship Program.
- (\$200,000) Lottery Proceeds Fund transferred to the Department of Higher Education to move administration of the Minority Teaching Scholarship Program.
- (\$174,970) transferred to the Department of Higher Education to move administration of the Urban Flight and Rural Needs Scholarship Program.
- (\$30,000) and (1.5) staff transferred to the Department of Higher Education for scholarship program administration.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

The Division of Vocational Rehabilitation provides services to Missourians with disabilities to help them overcome impediments to employment. Vocational Rehabilitation is comprised of three sections: Vocational Rehabilitation, Disability Determinations, and Independent Living.

- Vocational Rehabilitation assists individuals with disabilities to obtain and/or maintain employment.
- Disability Determinations is responsible for collecting and documenting medical evidence of a disability and is funded by the federal Social Security Administration.
- Independent Living Centers are non-residential, private, non-profit, consumer-controlled, community-based organizations providing services and advocacy by and for persons with all types of disabilities.

Fiscal Year 2010 Governor's Recommendations

- \$3,609,128 match for vocational rehabilitation federal grant funding, including \$603,311 general revenue.
- \$790,272 federal funds for pay plan.
- (\$41,481) federal funds core reduction for one-time expenditures.

DIVISION OF CAREER EDUCATION

The Division of Career Education provides individuals with services that supply the technical knowledge and skills needed to prepare for employment. The division also develops state plans for career education and adult education and literacy that form the basis for distribution of federal and state funds to local education agencies. The Division of Career Education includes: the Distribution to Schools Program, Workforce Investment Act grants, Adult Basic Education Program, Special Literacy Grant Award Program, school-aged child care, and Troops to Teachers Program.

- The Distribution to Schools Program oversees grants provided to educational institutions for improving career-technical programs and distribution of funds to career education programs located in public school districts, institutions of higher education, state agencies, and business establishments.
- The federal Workforce Investment Act provides federal funds that can be used for skill training for 15 service delivery areas in Missouri.
- The Adult Basic Education Program provides training in the fundamental skills of English, reading, and mathematics. To enroll in a class, a person must be 16 years of age or older, out of school, and lacking a high school diploma.
- The Special Literacy Grant Award Program was established to respond to the increasing numbers of adults needing basic education services.
- The federal Child Care and Development Block Grant provides funds to house school-aged child care programs in school buildings when they are not being used for educational classes.
- The Troops to Teachers Program is designed to encourage military personnel transitioning to the civilian labor force to consider teaching as a post-military career.

Fiscal Year 2010 Governor's Recommendations

- \$10,000 After-School Retreat Reading and Assessment Grant Program Fund for the Afterschool Retreat and Reading Assessment Grant Program.
- \$105,774 for pay plan, including \$40,116 general revenue.
- (\$75,000) core reduction from the Fiscal Year 2009 appropriation level.
- (\$15,425) federal funds core reduction for one-time expenditures.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF SPECIAL EDUCATION

The Division of Special Education is responsible for state and federal special education funds for Missouri public schools. The division administers special education grants, the High Need Fund and the Excess Cost of Public Placements, as well as the coordination of the First Steps Program, Sheltered Workshops, Readers for the Blind Program, and the Blind Literacy Task Force.

- Special education grants provide federal funds to districts to aid them in the purchase of instructional and technological equipment and services for disabled children.
- The High Need Fund and the Excess Cost of Public Placements are programs designed to aid school districts with education costs that exceed a district's normal expenditure per pupil. Excess Cost of Public Placements was created to address the issue of children in residential placements per the direction of the courts, the Department of Social Services, or the Department of Mental Health.
- The First Steps Program is designed for children, birth to age 3, who have delayed development or diagnosed conditions that are associated with development disabilities.
- Sheltered Workshops are non-profit corporations that give people with disabilities a controlled working environment. Programs are designed to enable persons to progress toward normal living and develop their work capacities.
- The Readers for the Blind Program provides funds to employ readers for blind students served in local districts.
- The Blind Literacy Task Force was established to improve special education, vocational training, work to school transitions, rehabilitation services, independent living, and employment outcomes for blind and visually impaired students.

Fiscal Year 2010 Governor's Recommendations

- \$5,000,000 federal funds for Special Education Federal Grants.
- \$4,874,682 Schools First Elementary and Secondary Education Improvement Fund for the Special Education High Need Program.
- \$3,587,646 for the Sheltered Workshop Program.
- \$1,150,000 for the First Steps Program.
- \$69,213 for pay plan, including \$5,597 general revenue.
- (\$37,260) and (one) staff core reduction from the Fiscal Year 2009 appropriation level.

BOARD OPERATED SCHOOLS OPERATIONS

The State Board of Education operates two residential facilities, the School for the Blind in St. Louis and the School for the Deaf in Fulton, and day-school facilities - the Missouri Schools for the Severely Disabled located throughout the state. The Department of Elementary and Secondary Education oversees the distribution of state, federal, and private donations to these institutions.

- The Missouri School for the Blind offers elementary and secondary education in a residential school environment for blind or visually impaired students from ages 5 to 21 years.
- The Missouri School for the Deaf provides elementary and secondary education in a residential school environment for deaf- or hearing-impaired students from ages 5 to 21 years. The school provides separate facilities for primary age, intermediate age, and high school students.
- For students too severely disabled to be served effectively by local public schools, the department operates 37 state schools and contracts with private non-profit agencies to provide educational services for children the state schools cannot practically serve. These schools offer day programs in basic and prevocational training with the ultimate goal of assisting students in functioning semi-independently in their homes and communities.

Fiscal Year 2010 Governor's Recommendations

- \$1,000,000 in additional resources to fund contract teachers, clinical and other services, or such other needs as the schools may prioritize.
- \$868,763 for pay plan, including \$854,213 general revenue.
- \$2,336,580 reallocated from salary expenses to provide more flexibility to the schools to obtain contract services when necessary.
- (\$2,336,580) reallocated to provide resources for flexible contract services at State Board Operated Schools, including the elimination of (90) vacant staff positions.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

COMMISSION FOR THE DEAF AND HARD OF HEARING

The Missouri Commission for the Deaf and Hard of Hearing and the Board for Certification of Interpreters are assigned to the Department of Elementary and Secondary Education.

Fiscal Year 2010 Governor's Recommendations

- \$6,931 for pay plan, including \$5,938 general revenue.
- (\$41,416) core reduction from the Fiscal Year 2009 appropriation level.

MISSOURI ASSISTIVE TECHNOLOGY COUNCIL

The Missouri Assistive Technology Council is assigned to the Department of Elementary and Secondary Education. The council supports access to adaptive devices that increase the independence and productivity of Missourians with all types of disabilities. The council provides adaptive telecommunications devices and computer adaptations, short-term loan of a full range of assistive technology, used equipment exchange, and low-interest loans for the purchase of assistive technology and home modifications.

Fiscal Year 2010 Governor's Recommendations

- \$14,743 federal and other funds for pay plan.

MISSOURI CHILDREN'S SERVICES COMMISSION

The Missouri Children's Services Commission is assigned to the Department of Elementary and Secondary Education. The Missouri Children's Services Commission takes a leadership role in identifying and evaluating programs and state services that affect the children of Missouri.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF HIGHER EDUCATION

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Higher Education Coordination	\$ 703,415	\$ 1,195,631	\$ 1,826,095	\$ 1,068,337
Proprietary School Regulation	126,034	283,662	277,150	281,669
Midwest Higher Education Compact	90,000	95,000	95,000	95,000
Federal Education Programs	993,910	3,782,422	4,930,957	4,932,878
Financial Aid	185,577,415	250,703,438	255,203,722	304,324,917
Community Colleges	138,083,819	148,377,417	165,754,902	154,774,974
Technical College	4,791,093	5,236,620	5,877,066	5,390,061
Four-Year Colleges and Universities	750,264,966	807,901,766	900,622,552	825,762,924
University of Missouri - Related Programs	44,267,313	49,575,237	60,918,598	48,289,819
DEPARTMENTAL TOTAL	\$ 1,124,897,965	\$ 1,267,151,193	\$ 1,395,506,042	\$ 1,344,920,579
General Revenue Fund	910,107,089	1,028,804,430	1,156,891,573	1,084,725,547
Federal Funds	2,524,573	5,119,468	6,268,003	6,176,241
Lender of Last Resort Revolving Fund	0	0	1	1
Missouri Student Grant Program Gift Fund	0	50,000	50,000	50,000
Lottery Proceeds Fund	86,156,977	86,156,977	86,156,977	108,216,425
Spinal Cord Injury Fund	54,037	400,000	400,000	400,000
State Seminary Moneys Fund	112,306	250,000	250,000	250,000
Healthy Families Trust Fund	0	437,640	437,640	437,640
GEAR UP Scholarship Fund	509,229	700,000	450,000	450,000
Proprietary School Bond Fund	0	100,000	100,000	100,000
Recruitment and Retention Scholarship Fund	0	0	0	50,000
Advantage Missouri Trust Fund	330,000	630,830	0	0
State Seminary Fund	0	3,000,000	3,000,000	3,000,000
Guaranty Agency Operating Fund	12,028,877	16,501,848	16,501,848	16,064,725
Federal Student Loan Reserve Fund	113,074,877	125,000,000	125,000,000	125,000,000
Full-time equivalent employees	67.69	75.67	75.67	77.17

DEPARTMENT SUMMARY

A successful recovery from the current economic collapse depends on job creation. Attracting new employers and encouraging new small businesses starts with educated and qualified workers. To that end, the Fiscal Year 2010 budget provides new resources to make post-secondary education accessible and affordable for Missouri students and families. In addition to \$2.5 million in increased funds for the Access Missouri Program, the Fiscal Year 2010 budget introduces the Missouri Promise Program, a pathway to a tuition free, four-year degree for qualified students. Also, in exchange for a commitment by each of Missouri public two-year and four-year colleges and universities not to raise tuition, the Fiscal Year 2010 budget provides funding for all institutions at the Fiscal Year 2009 levels. Finally, to increase the capacity to train healthcare workers in the Missouri higher education system and further increase Missouri's healthcare delivery system, this budget fully funds the Caring for Missourians Initiative at \$39.7 million. Through this initiative, more than 900 health care workers will graduate over the next five years. In order to realize administrative efficiencies and provide better service to Missouri's students and their families, this budget consolidates six small scholarship programs from several other departments into the Department of Higher Education.

The Fiscal Year 2010 budget provides a total of \$1.3 billion for the Department of Higher Education. The core functions provided by the Department of Higher Education include:

- Supporting Missouri's two- and four-year institutions of higher education. Missouri's higher education institutions play a critical role in supplying the skilled workers that are necessary to stimulate economic growth in the state.
- Providing financial assistance to allow Missouri students access to higher education and to encourage the state's top academic achievers to attend Missouri higher education institutions.
- Planning for postsecondary education, evaluating institutional missions and performance, regulating proprietary institutions, and approving new degree programs offered by public colleges and universities.

DEPARTMENT OF HIGHER EDUCATION

HIGHER EDUCATION COORDINATION

This program includes the Commissioner of Higher Education, the general administrative staff, and the expenses of the Coordinating Board. Under direction of the Coordinating Board, the administrative staff reviews and coordinates the programs of approximately 59 public and private institutions of higher education. Staff also prepares the Coordinating Board's budget recommendations for public colleges and universities. Other program responsibilities include collecting and distributing student enrollment data and reviewing and approving proposed new degree programs at public institutions.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$22,241 for pay plan, including \$15,945 general revenue.
- (\$100,000) federal funds core reduction from the Fiscal Year 2009 appropriation level.
- (\$30,000) reallocated to state grant and scholarship program administration.
- (\$19,536) core reduction for one-time expenditures.

PROPRIETARY SCHOOL REGULATION

Sections 173.600 through 173.619, RSMo, provide for the regulation of proprietary schools operating in the State of Missouri. There are approximately 159 proprietary schools in operation. The Coordinating Board is charged with the authority to issue, revoke, or suspend certificates of approval ensuring that proprietary schools meet minimum state standards, place schools on probation, require each school to file a security bond, and collect data from certified proprietary schools.

Fiscal Year 2010 Governor's Recommendations

- \$4,519 for pay plan.
- (\$6,512) core reduction for one-time expenditures.

MIDWEST HIGHER EDUCATION COMPACT

The Midwest Higher Education Compact is a consortium of states that work together on student exchange agreements, higher education research and policy development, and cost saving programs in which Missouri institutions may participate. Membership in the organization requires payment of annual dues. Missouri became a member state of the Midwest Higher Education Compact pursuant to the provisions of Sections 173.708 through 173.710, RSMo.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

FEDERAL EDUCATION PROGRAMS AND DONATIONS

The Improving Teacher Quality States Grant Program provides federal funds for the improvement of instruction in the core subject areas in grades K-12. The Department of Higher Education administers its portion of these funds through a competitive grant process. The funds are used to design and develop professional development projects addressing the needs of K-12 teachers in the targeted core academic subjects of mathematics and science.

In addition, department staff will continue to pursue federal grants, foundation resources, and private donations to support new programs.

Fiscal Year 2010 Governor's Recommendations

- \$1,148,535 federal funds on an open-ended basis for the College Access Challenge Grant Program.
- \$1,921 federal funds for pay plan.

**DEPARTMENT OF HIGHER EDUCATION
STUDENT FINANCIAL AID**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
GRANTS AND SCHOLARSHIPS			
Administration	\$ 102,335	\$ 109,453	\$ 189,238
Academic Scholarship Program	16,989,000	16,359,000	16,359,000
Access Missouri Financial Assistance Program	42,338,651	91,458,137	93,327,307
Missouri Promise Program	0	0	51,533,682
Public Service Survivor Grant Program	63,582	100,000	100,000
Vietnam Veterans Survivors Scholarship Program	18,756	50,000	50,000
Marguerite Ross Barnett Scholarship Program	425,000	425,000	425,000
Missouri Teacher Education Scholarship Program	0	0	249,000
Minority Teaching Scholarship Program	0	0	200,000
Urban Flight and Rural Needs Scholarship Program	0	0	174,000
Large Animal Veterinary Student Loan Program	0	0	120,000
Minority and Underrepresented Environmental Literacy Program	0	0	82,964
GEAR UP PROGRAM	536,337	700,000	450,000
MISSOURI STUDENT LOAN PROGRAM	125,103,754	141,501,848	141,064,726
TOTAL	\$ 185,577,415	\$ 250,703,438	\$ 304,324,917
General Revenue Fund	48,905,442	94,904,093	127,734,076
Federal Funds	1,312,323	1,000,000	1,000,000
Other Funds	135,359,650	154,799,345	175,590,841

ADMINISTRATION OF STATE GRANT AND SCHOLARSHIP PROGRAMS

Administration of state grant and scholarship programs includes determining an applicant's eligibility for a grant, determining the amount of individual grants, issuing payments, and monitoring school financial aid offices for compliance with program requirements. In Fiscal Year 2009, it is anticipated that approximately 48,010 grants and scholarships totaling \$112 million will be distributed by the department.

Fiscal Year 2010 Governor's Recommendations

- \$3,815 for pay plan.
- \$45,970 and 1.5 staff transferred from the Department of Elementary and Secondary Education to consolidate scholarship programs in the Department of Higher Education.
- \$30,000 reallocated from higher education coordination administration.

ACADEMIC SCHOLARSHIP PROGRAM

The Academic Scholarship ("Bright Flight") Program provides \$2,000 scholarships for Missouri high school graduating seniors scoring in the top three percent of all Missouri students taking either the American College Test (ACT) or the Scholastic Aptitude Test (SAT) of the College Board. The students must use the scholarship to attend a Missouri college or university. The scholarships are renewable up to a total of ten semesters. An estimated 8,500 students will be awarded scholarships in Fiscal Year 2010.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF HIGHER EDUCATION

STUDENT FINANCIAL AID (Continued)

ACCESS MISSOURI FINANCIAL ASSISTANCE PROGRAM

The Access Missouri Financial Assistance Program provides need-based scholarships to eligible Missouri residents. Need is determined based on the student's expected family contribution with different award amounts depending on the type of higher education institution the student attends. Under current law, students attending private four-year colleges and universities are eligible to receive up to \$4,600 in taxpayer-funded scholarships while students attending Missouri's public four-year institutions are capped at \$2,150. Governor Nixon is proposing to treat all such students the same, regardless of the school they are able to attend. Under this plan, the cap for students attending public four-year colleges and universities would be raised by approximately \$700 per student to \$2,850, while the ceiling on awards to private university students would be set at the same rate.

Fiscal Year 2010 Governor's Recommendations

- \$2,500,000 for an inflationary increase in Access Missouri Financial Assistance Program award amounts.
- (\$630,830) Advantage Missouri Trust Fund core reduction for one-time expenditures.

MISSOURI PROMISE PROGRAM

The Missouri A+ Schools Program provides for two years of tuition reimbursement at public community colleges or vocational or technical schools for qualified students who fulfill community service requirements. Beginning with Fiscal Year 2010, the Missouri Promise Program will replace and extend the A+ Program. For the first time, students satisfactorily completing their second year of community college will continue on for their third and fourth years at the state public college or university of their choice tuition free. Expanding the Missouri Promise Program statewide and making all students eligible for this pathway to a four-year degree tuition free is planned for upcoming years.

Fiscal Year 2010 Governor's Recommendations

- \$26,212,158 for the Missouri Promise Program for year one of a two year implementation.
- \$25,321,524 for the former A+ Program transferred from the Department of Elementary and Secondary Education for the Missouri Promise Program, including \$3,462,076 general revenue.

PUBLIC SERVICE SURVIVOR GRANT PROGRAM

The Public Service Survivor Grant Program provides educational benefits to the children and spouses of certain public employees killed or permanently and totally disabled in the line of duty. An eligible child, up to the age of 24, or an eligible spouse may receive a grant to enroll in a program leading to a certificate, associate degree, or baccalaureate degree at an approved public or private post-secondary institution. The grant may not exceed the amount paid in tuition by a full-time undergraduate Missouri resident at the University of Missouri.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

VIETNAM VETERANS SURVIVORS SCHOLARSHIP PROGRAM

The Vietnam Veterans Survivors Scholarship Program provides educational benefits to the spouse or child of a veteran of the Vietnam War whose death was caused by exposure to toxic chemicals. The maximum award may not exceed the amount of tuition paid by a full-time undergraduate Missouri resident at the University of Missouri.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

MARGUERITE ROSS BARNETT SCHOLARSHIP PROGRAM

The Marguerite Ross Barnett Scholarship Program provides grants to part-time undergraduate students who are employed and compensated for at least 20 hours per week and who have financial need. The maximum award may not exceed the amount of tuition paid by a part-time undergraduate Missouri resident at the University of Missouri.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF HIGHER EDUCATION

STUDENT FINANCIAL AID (Continued)

MISSOURI TEACHER EDUCATION SCHOLARSHIP PROGRAM

The Missouri Teacher Education Scholarship Program provides \$1,000 scholarships to Missouri high school graduates and community college students who enter and make a commitment to pursue a teacher education program and who meet specified academic standards.

Fiscal Year 2010 Governor's Recommendations

- \$249,000 transferred from the Department of Elementary and Secondary Education to move administration of the Missouri Teacher Education Scholarship Program to the Department of Higher Education.

MINORITY TEACHING SCHOLARSHIP PROGRAM

The Minority Teaching Scholarship Program provides \$2,000 scholarships to Missouri minority high school graduates and college students who enter and make a commitment to pursue a teacher education program and who meet specified academic standards.

Fiscal Year 2010 Governor's Recommendations

- \$200,000 Lottery Proceeds Fund transferred from the Department of Elementary and Secondary Education to move administration of the Minority Teaching Scholarship Program to the Department of Higher Education.

URBAN FLIGHT AND RURAL NEEDS SCHOLARSHIP PROGRAM

The Urban Flight and Rural Needs Scholarship Program provides up to 100 four-year scholarships for Missouri students who enter teacher education programs and who commit to teaching at schools with a higher than average at-risk population. Teachers must agree to teach two years for each year they receive the scholarship.

Fiscal Year 2010 Governor's Recommendations

- \$174,000 transferred from the Department of Elementary and Secondary Education to move administration of the Urban Flight and Rural Needs Scholarship Program to the Department of Higher Education.

LARGE ANIMAL VETERINARY STUDENT LOAN PROGRAM

The Large Animal Veterinary Student Loan Program is a loan repayment program for students enrolled in the large animal veterinarian program at the University of Missouri – Columbia. The program provides loans of \$20,000 per year for up to four years for up to six students per year. Recipients are forgiven \$20,000 for each year they practice in an area of need.

Fiscal Year 2010 Governor's Recommendations

- \$120,000 transferred from the Department of Agriculture to move administration of the Large Animal Veterinary Student Loan Program to the Department of Higher Education.

MINORITY AND UNDERREPRESENTED ENVIRONMENTAL LITERACY PROGRAM

The Minority and Underrepresented Environmental Literacy Program provides scholarships to full-time minority and underrepresented students who pursue a bachelor's or master's degree in an environmental-related field of study at a Missouri college or university and who meet specified academic standards.

Fiscal Year 2010 Governor's Recommendations

- \$82,964 transferred from the Department of Natural Resources to move administration of the Minority and Underrepresented Environmental Literacy Program to the Department of Higher Education, including \$32,964 general revenue.

DEPARTMENT OF HIGHER EDUCATION

STUDENT FINANCIAL AID (Continued)

GEAR UP PROGRAM

The Department of Higher Education was awarded a federal GEAR UP grant in 2000 to help improve the educational attainment of low-income, underrepresented Missouri students through early college preparation and awareness activities. Activities began when students were in middle school and continued to focus on those same students through their high school years. Although the college preparation and outreach components of the grant have been completed, the grant also contained a financial assistance component. Consequently, eligible students that participated in program activities at these high schools are receiving GEAR UP scholarships based on high school performance and financial need.

Fiscal Year 2010 Governor's Recommendations

- (\$250,000) GEAR UP Scholarship Fund core reduction from the Fiscal Year 2009 appropriation level.

MISSOURI STUDENT LOAN PROGRAM AND ADMINISTRATION

The Missouri Student Loan Program provides repayable loans to parents and students through commercial lending institutions. Since its inception in 1979, the program has guaranteed approximately 2.7 million loans totaling over \$9.5 billion. In Fiscal Year 2010, approximately 150 lending institutions will participate in loaning funds to students attending more than 160 eligible institutions. Nearly 175,000 loans totaling approximately \$1 billion annually are guaranteed by the department benefiting close to 100,000 Missouri students and their families. The Missouri Student Loan Program uses private contractors to aid in processing and servicing its loans. The loan program staff performs activities including outreach services to students, schools, and lenders; the administration of the Administrative Wage Garnishment and Automated Transfer of Money programs; general loan program administration; and functions necessary to oversee contractor services and ensure compliance with state and federal law.

Fiscal Year 2010 Governor's Recommendations

- \$1 Lender of Last Resort Revolving Fund on an open-ended basis to ensure Missouri students have access to student loans.
- \$62,877 Guaranty Agency Operating Fund for pay plan.
- (\$500,000) Guaranty Agency Operating Fund core reduction from the Fiscal Year 2009 appropriation level.

DEPARTMENT OF HIGHER EDUCATION

AID TO PUBLIC COMMUNITY COLLEGES

The budget recommendations for Missouri public community colleges are based on the recommendations developed by the Coordinating Board. The 12 institutions (19 campuses) eligible to receive state aid are: Crowder College in Neosho, East Central College in Union, Jefferson College in Hillsboro, Metropolitan Community College – five campuses in the Kansas City area, Mineral Area College in Park Hills, Moberly Area Community College in Moberly, North Central Missouri College in Trenton, Ozarks Technical Community College in Springfield, St. Charles Community College in St. Peters, St. Louis Community College – four campuses in St. Louis City and County, State Fair Community College in Sedalia, and Three Rivers Community College in Poplar Bluff.

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Crowder College	\$ 0	\$ 4,933,729	\$ 5,068,969
East Central College	0	5,726,726	6,044,021
Jefferson College	0	8,402,646	8,836,736
Metropolitan Community College	0	34,908,693	35,921,138
Mineral Area College	0	5,505,253	5,843,353
Moberly Area Community College	0	5,521,617	5,892,167
North Central Missouri College	0	2,717,665	3,020,595
Ozarks Technical Community College	0	11,259,691	11,728,742
St. Charles Community College	0	8,529,388	9,294,023
St. Louis Community College	0	50,195,627	51,679,203
State Fair Community College	0	5,837,071	6,242,791
Three Rivers Community College	0	4,839,311	5,203,235
Federal Aid to Community Colleges	0	0	1
State Aid to Community Colleges	101,263,302	0	0
Out-of-District Instruction	1,140,706	0	0
Workforce Preparation	15,844,953	0	0
Post-secondary Technical Education	19,834,858	0	0
TOTAL	\$ 138,083,819	\$ 148,377,417	\$ 154,774,974
General Revenue Fund	130,631,334	140,924,932	147,322,488
Federal Funds	0	0	1
Lottery Proceeds Fund	7,452,485	7,452,485	7,452,485

Fiscal Year 2010 Governor's Recommendations

- \$6,397,556 for the Caring for Missourians Initiative:
 - \$135,240 for Crowder College
 - \$317,295 for East Central College
 - \$434,090 for Jefferson College
 - \$1,012,445 for Metropolitan Community College
 - \$338,100 for Mineral Area College
 - \$370,550 for Moberly Area Community College
 - \$302,930 for North Central Missouri College
 - \$469,051 for Ozarks Technical Community College
 - \$764,635 for St. Charles Community College
 - \$1,483,576 for St. Louis Community College
 - \$405,720 for State Fair Community College
 - \$363,924 for Three Rivers Community College
- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.

DEPARTMENT OF HIGHER EDUCATION

LINN STATE TECHNICAL COLLEGE

Senate Bill 101 (1995) established Linn State Technical College with a statewide mission to offer highly specialized and advanced technical education and training at the certificate and associate degree level.

Fiscal Year 2010 Governor's Recommendations

- \$153,440 for the Caring for Missourians Initiative.
- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.

PUBLIC FOUR-YEAR INSTITUTIONS OF HIGHER EDUCATION

The budget recommendations for Missouri's ten public, four-year institutions of higher education are based on the recommendations developed by the Coordinating Board. Missouri's public, four-year institutions of higher education include: the University of Central Missouri at Warrensburg, Harris-Stowe State University at St. Louis, Lincoln University at Jefferson City, Missouri Southern State University at Joplin, Missouri Western State University at St. Joseph, Northwest Missouri State University at Maryville, Southeast Missouri State University at Cape Girardeau, Missouri State University at Springfield, Truman State University at Kirksville, and the University of Missouri system.

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
University of Central Missouri	\$ 55,703,089	\$ 59,677,078	\$ 60,887,832
Southeast Missouri State University	45,363,054	48,646,011	49,812,818
Missouri State University	84,010,728	89,999,222	92,187,694
Lincoln University	17,464,659	19,780,813	19,780,814
Lincoln University Land Grant Match	873,000	0	0
Truman State University	42,154,228	45,161,510	45,914,363
Northwest Missouri State University	30,889,852	33,098,924	33,623,813
Missouri Southern State University	22,792,403	25,597,158	26,692,955
Missouri Western State University	21,746,907	23,588,351	24,432,168
Harris-Stowe State University	10,152,244	10,876,534	11,388,035
University of Missouri	419,114,802	451,476,165	461,042,432
TOTAL	\$ 750,264,966	\$ 807,901,766	\$ 825,762,924
General Revenue Fund	683,897,669	741,534,469	759,395,617
Federal Funds	0	0	10
Lottery Proceeds Fund	66,367,297	66,367,297	66,367,297

DEPARTMENT OF HIGHER EDUCATION

PUBLIC FOUR-YEAR INSTITUTIONS OF HIGHER EDUCATION (Continued)

Fiscal Year 2010 Governor's Recommendations

- \$33,264,588 for the Caring for Missourians Initiative:
 - \$1,210,753 for the University of Central Missouri
 - \$1,166,806 for Southeast Missouri State University
 - \$2,188,471 for Missouri State University
 - \$803,440 for Lincoln University
 - \$752,852 for Truman State University
 - \$524,888 for Northwest Missouri State University
 - \$1,095,796 for Missouri Southern State University
 - \$843,816 for Missouri Western State University
 - \$511,500 for Harris-Stowe State University
 - \$24,166,266 for the University of Missouri
- \$10 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
 - \$1 for the University of Central Missouri
 - \$1 for Southeast Missouri State University
 - \$1 for Missouri State University
 - \$1 for Lincoln University
 - \$1 for Truman State University
 - \$1 for Northwest Missouri State University
 - \$1 for Missouri Southern State University
 - \$1 for Missouri Western State University
 - \$1 for Harris-Stowe State University
 - \$1 for the University of Missouri
- (\$14,600,000) core reduction from the University of Missouri's Fiscal Year 2009 appropriation level, related to the Extension Program.
- (\$803,440) core reduction from Lincoln University's Fiscal Year 2009 appropriation level, related to the Extension Program.

**DEPARTMENT OF HIGHER EDUCATION
UNIVERSITY OF MISSOURI – RELATED PROGRAMS**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Missouri Telehealth Network	\$ 407,400	\$ 857,640	\$ 836,641
MOREnet	12,446,974	12,754,612	12,754,613
University Hospital and Clinics	12,789,527	13,185,079	12,525,826
Missouri Rehabilitation Center	11,302,140	11,651,691	11,360,400
Missouri Institute of Mental Health	1,784,684	1,839,880	1,747,887
Missouri Kidney Program	3,896,271	4,016,774	3,916,356
State Historical Society	1,473,974	1,619,561	1,498,095
Spinal Cord Injury Research	54,037	400,000	400,001
State Seminary Investments	0	3,000,000	3,000,000
State Seminary Income on Investments	112,306	250,000	250,000
TOTAL	\$ 44,267,313	\$ 49,575,237	\$ 48,289,819
General Revenue Fund	41,600,970	45,487,597	44,202,171
Federal Funds	0	0	8
Lottery Proceeds Fund	2,500,000	0	0
Spinal Cord Injury Fund	54,037	400,000	400,000
State Seminary Moneys Fund	112,306	250,000	250,000
State Seminary Fund	0	3,000,000	3,000,000
Healthy Families Trust Fund	0	437,640	437,640

UNIVERSITY OF MISSOURI – RELATED PROGRAMS

The University of Missouri has administrative responsibility for a range of programs that are related to its institutional mission, but are not a part of the education and general operations: Missouri Telehealth Network, Missouri Research and Education Network (MOREnet), University Hospital and Clinics, Missouri Rehabilitation Center, Missouri Institute of Mental Health, Missouri Kidney Program, State Historical Society, Spinal Cord Injury Research Program, and investments and interest from State Seminary Fund and State Seminary Moneys Fund.

MISSOURI TELEHEALTH NETWORK

The Missouri Telehealth Network enhances access to care to people in underserved areas by providing the tools and training necessary for communities to develop and implement successful telehealth programs. The Missouri Telehealth Network has over 150 sites in 47 Missouri counties and the City of St. Louis including Federally Qualified Health Centers (FQHCs), hospitals, community mental health clinics, a state habilitation center, an army hospital, two schools of medicine, and a school of nursing.

Fiscal Year 2010 Governor’s Recommendations

- \$1 federal funds on an open-ended basis to maximize the state’s access to and use of federal stimulus funds when they become available.
- (\$21,000) core reduction from the Fiscal Year 2009 appropriation level.

MISSOURI RESEARCH AND EDUCATION NETWORK (MOREnet)

MOREnet operates a shared network infrastructure for elementary and secondary education, higher education, public libraries, state government, and community information networks. This shared network infrastructure includes connections to the Internet and a statewide backbone with hubs to connect each site. MOREnet integrates voice, video, and data transmissions, as well as handles the ever-increasing demand for network capacity to conduct research.

Fiscal Year 2010 Governor’s Recommendations

- \$1 federal funds on an open-ended basis to maximize the state’s access to and use of federal stimulus funds when they become available.

DEPARTMENT OF HIGHER EDUCATION

UNIVERSITY OF MISSOURI – RELATED PROGRAMS (Continued)

UNIVERSITY HOSPITAL AND CLINICS

The University of Missouri-Columbia operates a teaching facility for medical, nursing, and other health care field students. In addition, the facility provides inpatient care, outpatient care, and specialized medical services to both area residents and persons referred from throughout the state. The hospital budget includes costs associated with providing patient care and maintenance of the facility. Instructional and research activity costs are included in the university's general operating budget. The university also operates the Ellis Fischel Cancer Center which provides comprehensive medical treatment, conducts clinical research, and offers education to both health professionals and Missourians at large.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- (\$659,254) core reduction from the Fiscal Year 2009 appropriation level.

MISSOURI REHABILITATION CENTER

The Missouri Rehabilitation Center provides medical treatment for traumatic brain injury, comprehensive rehabilitation services, pulmonary/ventilator rehabilitation, tuberculosis treatment, terminal and acute care, and outpatient services.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- (\$291,292) core reduction from the Fiscal Year 2009 appropriation level.

MISSOURI INSTITUTE OF MENTAL HEALTH

The Missouri Institute of Mental Health, operated by the School of Medicine of the University of Missouri at Columbia, is a mental health research and teaching institute that provides educational and staff support to the Department of Mental Health. The Institute researches the basic causes of mental illness and methods for improved patient care and operates training programs for mental health professionals.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- (\$91,994) core reduction from the Fiscal Year 2009 appropriation level.

MISSOURI KIDNEY PROGRAM

The Missouri Kidney Program enables Missourians with end-stage renal disease to obtain treatment. The program contracts with federally approved dialysis centers and facilities and pays those costs of dialysis or kidney transplantation not paid by other sources such as Medicare, MO HealthNet, and private insurance. Patients' drugs, transportation expenses, and medical bills are paid by the program, along with the needed medical equipment and supply costs.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- (\$100,419) core reduction from the Fiscal Year 2009 appropriation level.

DEPARTMENT OF HIGHER EDUCATION

UNIVERSITY OF MISSOURI – RELATED PROGRAMS (Continued)

STATE HISTORICAL SOCIETY

The State Historical Society of Missouri is directed by statute to collect, preserve, publish, and make accessible those materials that pertain to the history of Missouri and western America. The staff conducts research projects, publishes the quarterly Missouri Historical Review, and produces other publications.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- (\$121,467) core reduction from the Fiscal Year 2009 appropriation level.

SPINAL CORD INJURY RESEARCH

The program funds research that will advance knowledge concerning spinal cord injuries and congenital or acquired disease processes. Research awards are made by an advisory board to researchers in public or private educational, health care, and research institutions and other voluntary health associations. Funds for this research come from fees assessed to individuals who are convicted of intoxication-related offenses, as well as surcharges from all criminal cases including violations of any county ordinance or any violation of criminal or traffic laws of this state.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.

STATE SEMINARY FUND INVESTMENTS AND INTEREST ON INVESTMENTS

The State Seminary Fund consists of the proceeds of the sale of land donated to the state, proceeds from a direct tax received from the United States, the James S. Rollins Scholarship Fund, and others. Income from the State Seminary Moneys Fund is given to the University of Missouri as required by Article IX, Section 6 of the Missouri Constitution, and by Section 172.610, RSMo.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF REVENUE

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Customer Services Division	\$ 18,255,881	\$ 18,930,067	\$ 19,364,980	\$ 17,669,236
Legal Services Division	2,306,477	2,513,749	2,717,121	1,781,184
Fiscal Services Division	18,561,102	24,194,687	23,806,966	22,031,968
Highway Collections	24,467,527	26,241,775	26,910,173	25,626,352
State Tax Commission	2,843,974	3,048,106	15,349,556	2,903,992
Distributions	229,570,599	226,033,041	229,959,503	226,186,896
State Lottery Commission	159,580,427	140,615,436	140,684,936	140,457,157
DEPARTMENTAL TOTAL	\$ 455,585,987	\$ 441,576,861 *	\$ 458,793,235	\$ 436,656,785
General Revenue Fund	86,524,673	89,434,513	106,035,969	83,865,389
Federal Funds	4,080,483	6,419,221	6,669,721	6,677,204
Child Support Enforcement Fund	1,978,992	2,624,213	2,624,213	2,624,944
Health Initiatives Fund	46,427	58,904	59,087	60,567
Elderly Home-Delivered Meals Trust Fund	11,662	12,582	12,582	12,959
Petroleum Storage Tank Insurance Fund	23,743	27,654	27,654	28,449
Motor Vehicle Commission Fund	1,096,153	1,153,563	1,155,065	1,176,978
Conservation Commission Fund	526,909	557,113	557,159	573,343
Department of Revenue Information Fund	681,795	802,064	808,873	817,570
State Highways and Transportation				
Department Fund	11,269,320	11,830,895	12,117,273	12,320,480
Lottery Enterprise Fund	159,580,427	140,615,436	140,684,936	140,457,157
Petroleum Inspection Fund	30,335	35,497	35,497	36,473
Motor Fuel Tax Fund	189,735,068	188,000,000	188,000,000	188,000,000
Department of Revenue Specialty Plate Fund	0	5,206	5,206	5,272
Full-time equivalent employees	1,463.38	1,582.96	1,584.96	1,470.06

* Does not include \$1,600,171 recommended in the Fiscal Year 2009 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Revenue supplemental appropriations.

DEPARTMENT SUMMARY

The Fiscal Year 2010 provides a total of \$436.7 million for the Department of Revenue. The department serves as the primary revenue collection agency for the State of Missouri. It strives to ensure that all taxes and fees owed to the state are paid, taxpayers are served conscientiously and efficiently, and revenues are collected at minimal administrative expense. The core functions provided by the Department of Revenue include:

- Preparing tax forms.
- Processing tax forms, returns, associated payments, and refunds.
- Titling and registering motor vehicles, boats and trailers.
- Licensing drivers.
- Investigating instances of suspected tax or fee avoidance.

DEPARTMENT OF REVENUE

CUSTOMER SERVICES DIVISION

The Customer Services Division serves Missouri citizens by providing taxation, motor vehicle, and licensing services. The Taxation Bureau is responsible for administering and enforcing taxation and collection regulations. Its collection activities include account management, lien filing, third-party collection referrals, tax clearances, and debt offsets. The bureau has seven in-state field offices (St. Louis, Kansas City, Springfield, Jefferson City, Joplin, St. Joseph, and Cape Girardeau) that handle taxpayer assistance inquiries. The Motor Vehicle Bureau is responsible for administering and enforcing vehicle registration and titling regulations. It titles and registers motor vehicles and watercraft, licenses motor vehicle dealers and boat dealers, and collects state and local sales/use tax and other vehicle fees. The Driver License Bureau is responsible for administering and enforcing driver license regulations and financial responsibility programs. The Customer Assistance Bureau oversees 183 contract license offices that provide driver licensing and motor vehicle titling and registration services to Missourians.

Fiscal Year 2010 Governor's Recommendations

- \$250,500 federal funds on an open-ended basis to allow the division to submit grant requests to the Federal Motor Carrier Administration and the Division of Highway Safety.
- \$10,500 for a rate increase by the United States Department of Homeland Security for the Systematic Alien Verification for Entitlements (SAVE) program.
- \$429,205 for pay plan, including \$386,439 general revenue.
- (\$1,807,499) and (21) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$109,268) core reduction from the Fiscal Year 2009 appropriation level for savings realized in the printing of motor vehicle renewal notices.
- (\$34,269) reallocated to the Legal Services Division.

LEGAL SERVICES DIVISION

The General Counsel's Office advises the director on legal matters and represents the director in legal proceedings. The Governmental Affairs Bureau develops and tracks the department's legislation and estimates the fiscal impact of legislation that relates to the department. The Criminal Investigation Bureau investigates suspected tax, motor vehicle, dealer, and driver license fraud, and prepares cases for prosecution. Human Resource Services and Development is responsible for recruitment, training, employee relations' services, and payroll processing.

Fiscal Year 2010 Governor's Recommendations

- \$45,129 for pay plan, including \$31,448 general revenue.
- \$169,103 and one staff reallocated from the Fiscal Services Division.
- \$34,269 reallocated from the Customer Services Division.
- (\$981,066) and (17.15) staff core reduction from the Fiscal Year 2009 appropriation level.

FISCAL SERVICES DIVISION

The Director of Revenue's office supervises all operations of the department. The Financial and General Services Bureau provides accounting, procurement, cash management, stores, receiving, mail operations, warehousing, archival, delivery, motor pool, and facility services to the department. The Internal Compliance Bureau reviews and evaluates the department's accounting controls and appraises the effectiveness and efficiency of the use of department resources. Field Compliance Bureau auditors are stationed in seven in-state offices (in the same locations as the Customer Services Division) and four out-of-state offices in Chicago, Dallas, Atlanta, and New York to foster compliance with Missouri tax laws.

Fiscal Year 2010 Governor's Recommendations

- \$116,079 for costs due to increased postage rates, including \$107,539 general revenue.
- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$275,437 for pay plan, including \$273,183 general revenue.
- (\$2,050,436) and (41) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$334,697) and (13.25) staff reallocated to Highway Collections to consolidate the mail service center, including (\$219,960) general revenue.
- (\$169,103) and (one) staff reallocated to the Legal Services Division.

DEPARTMENT OF REVENUE

HIGHWAY COLLECTIONS

Article IV, Sections 30(a), 30(b), and 30(c), Constitution of Missouri, requires that all revenues from the existing motor vehicle fuel tax, vehicle taxes and fees paid by highway users (less collection costs) be used only for state and local highways, roads and bridges, and for constructing and maintaining the state highway system. These collection costs are not to exceed three percent of the amount collected. The Department of Revenue is responsible for collecting and remitting these revenues to the State Highways and Transportation Department Fund. Highway Collections functions are distributed between the Customer Services Division, the Fiscal Services Division, and the Legal Services Division.

Fiscal Year 2010 Governor's Recommendations

- \$333,701 for costs due to increased postage rates and additional postage due to plate reissuance, including \$47,323 general revenue.
- \$484,594 for pay plan, including \$281,387 general revenue.
- \$334,697 and 13.25 staff reallocated from Fiscal Services to consolidate the mail service center, including \$219,960 general revenue.
- (\$1,768,415) and (18) staff core reduction from the Fiscal Year 2009 appropriation level.

STATE TAX COMMISSION

The State Tax Commission is a quasi-judicial administrative agency created by the Missouri Constitution to perform six basic functions. These functions are: to equalize inter- and intra-county assessments; conduct de novo judicial hearings regarding valuation and classification appeals from local boards of equalization; formulate and implement statewide assessment policy and procedures to comport with statutory and constitutional mandates; supervise local assessing officials and local assessment programs to ensure compliance with statewide requirements; conduct ratio studies to determine the assessment level in each county and to measure the quality of the assessments; and assess the distributable property of railroads and public utilities.

Fiscal Year 2010 Governor's Recommendations

- \$77,463 for pay plan.
- \$8,007 transferred from the Office of Administration, Division of General Services for central mail services.
- (\$229,584) and (5.75) staff core reduction from the Fiscal Year 2009 appropriation level.

**DEPARTMENT OF REVENUE
DISTRIBUTIONS**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Prosecuting Attorneys and Collection Agencies Fees	\$ 3,380,162	\$ 2,580,000	\$ 2,580,000
County Filing Fees	191,765	200,000	225,000
State Share of Assessment Maintenance Costs	18,720,700	19,020,668	19,020,668
Certification Compensation	75,044	0	0
Motor Fuel Tax Distribution to Cities and Counties	189,735,068	188,000,000	188,000,000
Emblem Use Fee Distribution	350	1,000	1,000
County Stock Insurance Tax	834,944	500,000	500,000
Homestead Preservation Tax Credit	1,055,643	91,089	91,089
Debt Offset For Tax Credits Transfer	227,342	200,000	200,000
Debt Offset Transfer	12,945,622	11,292,384	11,292,384
Circuit Courts Escrow Transfer	1,326,276	505,500	505,500
Income Tax Check-Off Refund Designations	373,534	396,000	396,000
General Revenue Reimbursement to State Highway and Transportation Fund	704,149	0	0
Downtown Revitalization Preservation Transfer	0	100,000	134,805
State Supplemental Downtown Development Transfer	0	3,146,400	3,240,450
TOTAL	\$ 229,570,599	\$ 226,033,041	\$ 226,186,896
General Revenue Fund	39,835,531	38,033,041	38,186,896
Motor Fuel Tax Fund	189,735,068	188,000,000	188,000,000

PROSECUTING ATTORNEYS AND COLLECTION AGENCY FEES

Section 136.150, RSMo, provides for payment of a collection fee of 20 percent of delinquent taxes, licenses, or fees recovered on behalf of the state by circuit attorneys or prosecuting attorneys. The collection fee is deposited in the county treasury with one-half of the fee for use by the attorney's office and one-half to be expended as the county determines. This incentive program provides additional resources to counties and a five-to-one benefit/cost ratio to the state.

Section 140.850, RSMo, authorizes the Department of Revenue to use private attorneys or professional collection agencies to collect delinquent taxes owed by resident and non-resident taxpayers (individuals and businesses). The statutes permit payment of a collection fee not to exceed 25 percent of the amount collected.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

COUNTY FILING FEES

The Department of Revenue is authorized to file tax liens on property owned by taxpayers that are delinquent in income tax or sales/use tax. Per Section 144.380.4, RSMo, county recorders charge the Department of Revenue a fee of \$3.00 for the filing of each tax lien and a fee of \$1.50 for each release of a tax lien filed on property owned by taxpayers that are delinquent in income tax or sales/use tax.

Fiscal Year 2010 Governor's Recommendations

- \$25,000 for increased filings to county recorders.

STATE SHARE OF ASSESSMENT MAINTENANCE COSTS

The state reimburses a portion of the costs and expenses for maintaining assessments by the county assessors and the St. Louis City assessor.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF REVENUE

MOTOR FUEL TAX DISTRIBUTION TO CITIES AND COUNTIES

Article IV, Section 30(a)(2), Constitution of Missouri, requires 15 percent of the net proceeds from the Motor Fuel Tax collections be allocated to the incorporated cities, towns, and villages of the state to assist in the maintenance of streets and highways.

Article IV, Section 30(a)(1), Constitution of Missouri, requires that 10 percent of the net proceeds from Motor Fuel Tax collections be distributed to the counties to assist in the maintenance of county roads, highways, and bridges. On August 4, 1992, voters approved Constitutional Amendment No. 8 to require that 15 percent of the net proceeds resulting from any increase in the Motor Fuel Tax rate over the rate in effect on March 31, 1992, be distributed to the counties to assist in the maintenance of county roads, highways, and bridges.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

EMBLEM USE FEE DISTRIBUTION

Pursuant to Section 301.3141, RSMo, a contribution to be used to apply for a specialty license plate may be made directly to the Department of Revenue. The Department of Revenue remits all contributions to the Department of Missouri, Veterans of Foreign Wars.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

COUNTY STOCK INSURANCE TAX

The Department of Revenue uses this appropriation to meet the apportionment requirements for the County Stock Insurance Tax required by Section 148.330, RSMo, while holding school districts and counties harmless to reductions from tax credits.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

HOMESTEAD PRESERVATION TAX CREDIT

Section 137.106, RSMo, the Homestead Preservation Act, enables qualified senior citizens and disabled persons to obtain a credit against their property taxes for an increase to their taxes that exceeds established thresholds. This appropriation provides funds to be distributed to county governments to offset property taxes of qualified applicants.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

DEBT OFFSET FOR TAX CREDITS TRANSFER

Section 135.815, RSMo, requires that tax credit applicants must apply any award to any delinquent income, sales, use, or insurance taxes. After applying all credits toward any delinquencies, the applicant can be issued any remaining credits. The Department of Revenue uses this appropriation to hold harmless local tax jurisdictions for local sales tax delinquencies.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF REVENUE

DEBT OFFSET TRANSFER

Chapter 143, RSMo, provides a mechanism to offset debts owed to the state against tax refunds payable to the debtor. The Department of Revenue transfers to the Office of State Treasurer the amount of the debt certified to be owed to a state agency in an amount not exceeding the tax refund claimed. Any amount in excess of the debt is forwarded to the taxpayer. Upon settlement of the claim through the established administrative hearings process, the escrow funds are returned to the state agency and/or the payee.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

CIRCUIT COURTS ESCROW TRANSFER

Section 143.784, RSMo, provides a mechanism to offset debts owed to the state against tax refunds payable to the debtor. The Department of Revenue transfers to the Circuit Courts any amounts certified to be owed to the state, in an amount not exceeding the tax refund claimed. Upon settlement of the claim, the escrow funds are returned to the state agency.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

INCOME TAX CHECK-OFF REFUND DESIGNATIONS

State statutes permit individuals and corporations to contribute a portion of any income tax refund that they are owed to numerous separate state trust funds and several separate charitable trust funds. The amounts designated by taxpayers for distribution to the various trust funds are transferred from the General Revenue Fund.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

DOWNTOWN REVITALIZATION PRESERVATION TRANSFER

Section 99.1092, RSMo, requires the department to annually transfer the first \$15,000,000 of other net new revenues generated by redevelopment projects to the Downtown Revitalization Preservation Fund.

Fiscal Year 2010 Governor's Recommendations

- \$34,805 transferred to the Downtown Revitalization Preservation Fund.

STATE SUPPLEMENTAL DOWNTOWN DEVELOPMENT TRANSFER

Section 99.963, RSMo, requires the department to annually transfer the first \$150,000,000 of other net new revenues generated by development projects to the State Supplemental Downtown Development Fund.

Fiscal Year 2010 Governor's Recommendations

- \$94,050 transferred to the State Supplemental Downtown Development Fund.

DEPARTMENT OF REVENUE

STATE LOTTERY COMMISSION

The Missouri State Lottery was established by voter approval of Constitutional Amendment No. 5 on November 6, 1984. On August 2, 1988, voters approved Constitutional Amendment No. 3 to revise the lottery prize structure and certain promotional restrictions.

Fiscal Year 2010 Governor's Recommendations

- \$209,818 Lottery Enterprise Fund for pay plan.
- (\$368,097) Lottery Enterprise Fund and (ten) staff core reduction from the Fiscal Year 2009 appropriation level.

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Operating Expense			
Personal Service	\$ 6,927,672	\$ 7,361,934	\$ 7,203,655
Expense and Equipment	31,397,564	31,253,502	31,253,502
Prizes	<u>121,255,191</u>	<u>102,000,000</u>	<u>102,000,000</u>
TOTAL			
Lottery Enterprise Fund	\$ 159,580,427	\$ 140,615,436	\$ 140,457,157

LOTTERY ENTERPRISE FUND TRANSFER

Section 39(b) of Article III of the Missouri Constitution provides that a minimum of 45 percent of moneys received from the sale of lottery tickets shall be paid as prizes. On August 4, 1992, voters approved Constitutional Amendment No. 11 to dedicate net lottery proceeds to fund public institutions of elementary, secondary, and higher education.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Lottery Enterprise Fund	\$ 265,051,179	\$ 260,000,000	\$ 260,000,000

DEPARTMENT OF TRANSPORTATION

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Highway Administration	\$ 25,329,364	\$ 27,785,754	\$ 27,785,754	\$ 27,786,358
Fringe Benefits	136,614,939	156,224,820	163,001,532	154,039,211
Fleet, Facilities & Information Systems	97,816,725	106,125,820	106,125,820	106,126,281
System Management	368,064,702	399,081,864	396,487,960	396,502,848
Highway Construction	1,496,945,753	1,702,238,882	1,524,679,630	1,518,340,133
Mississippi River Parkway	0	50,000	50,000	0
Multimodal Operations and Programs	75,335,652	66,681,298	90,425,027	71,441,223
DEPARTMENTAL TOTAL	\$ 2,200,107,135	\$ 2,458,188,438 *	\$ 2,308,555,723	\$ 2,274,236,054
General Revenue Fund	12,371,541	13,142,698	33,009,356	14,192,923
Federal Funds	63,773,263	73,961,070	75,123,802	75,150,687
Motorcycle Safety Trust Fund	400,000	425,000	425,000	425,000
Grade Crossing Safety Account	2,283,751	1,500,000	1,500,000	1,500,000
State Road Bond Fund	82,953,272	118,743,000	123,101,000	123,101,000
State Road Fund	2,026,376,845	2,239,735,479	2,061,728,055	2,046,393,433
Railroad Expense Fund	604,991	848,171	911,552	907,270
State Transportation Fund	2,643,315	3,196,111	3,396,156	3,211,105
Light Rail Safety Fund	0	1	1	1
State Transportation Assistance Revolving Fund	895,100	550,000	550,000	550,000
Aviation Trust Fund	7,805,057	6,086,908	8,810,801	8,804,635
Full-time equivalent employees	6,759.33	6,947.00	6,945.00	6,608.29

* Does not include \$500,000 recommended in the Fiscal Year 2009 Supplemental Appropriations. See the supplemental section of the Missouri Budget for details regarding Department of Transportation supplemental appropriations.

DEPARTMENT SUMMARY

The Fiscal Year 2010 budget recommends a total of \$2.3 billion for the Department of Transportation. This includes a decrease of more than \$565 million in available highway construction funds. The department intends to issue bonds to fund up to \$360 million in additional road and bridge projects. The Fiscal Year 2010 budget includes full funding for Amtrak, and continues Fiscal Year 2009 funding levels for the Missouri Elderly and Handicapped Transportation Assistance Program and the Missouri Transit Program.

The department is responsible for overseeing all aspects of Missouri's transportation system. The core functions of the Department of Transportation include:

- Constructing and maintaining the state road and bridge system – a key component of state safety and economic development efforts.
- Encouraging safety on Missouri highways for citizens and Department of Transportation employees.
- Providing capital improvement and operating assistance grants for rural and urban transit systems, public airports, ferry boats, and passenger rail service.
- Registering commercial motor vehicles.

DEPARTMENT OF TRANSPORTATION

HIGHWAY ADMINISTRATION

This area supports the operations of the Highways and Transportation Commission, as well as the centralized functions of the department such as auditing, accounting, risk management, financial planning, governmental relations, community relations, and human resource management.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$654,291 State Road Fund for pay plan.
- (\$653,688) other funds and (13.18) staff core reduction from the Fiscal Year 2009 appropriation level.

FRINGE BENEFITS

This represents the cost of providing medical and life insurance, retirement benefits, and workers' compensation for all Department of Transportation employees that are members of the MoDOT and Patrol Employees' Retirement System.

Fiscal Year 2010 Governor's Recommendations

- \$8,789,147 federal and other funds for increased fringe benefit costs.
- (\$10,974,756) other funds core reduction from the Fiscal Year 2009 appropriation level.

FLEET, FACILITIES & INFORMATION SYSTEMS

This program area supports the General Services and Information Systems divisions. The General Services Division provides fleet and facilities management, procurement, and other services to the department. The Information Systems Division delivers information technology solutions, services, and support through a planned approach consistent with the department's mission, values, and tangible results.

Fiscal Year 2010 Governor's Recommendations

- \$495,937 State Road Fund for pay plan.
- (\$495,476) other funds and (11.25) staff core reduction from the Fiscal Year 2009 appropriation level.

SYSTEM MANAGEMENT

This program area supports the cost of maintaining the state road system, public rest areas, and weigh stations. Examples include: road and shoulder repair, bridge repair and painting, snow and ice removal, traffic signal and sign maintenance, pavement marking, and right-of-way mowing.

Fiscal Year 2010 Governor's Recommendations

- \$4,527,136 federal and other funds for pay plan.
- (\$4,512,248) State Road Fund and (118.32) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$2,510,527) State Road Fund and (53) staff reallocated to the Highway Construction division.
- (\$83,377) and (two) staff transferred to the Department of Health and Senior Services for the Blood Alcohol Content Program.

HIGHWAY CONSTRUCTION

This program area supports the state road construction program and such activities as land acquisition, contracting for road and bridge construction, monitoring of construction programs, and transportation enhancement activities.

Fiscal Year 2010 Governor's Recommendations

- \$360,000,000 State Road Fund – Series 2009 to utilize bond proceeds for road and bridge projects.
- \$16,707,000 State Road Bond Fund for debt service on outstanding road bonds.
- \$2,456,546 State Road Fund for pay plan.
- \$2,510,527 State Road Fund and 53 staff reallocated from the Motorist Assistance Program.
- (\$565,491,822) other funds and (193.13) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$81,000) State Road Fund and (one) staff reallocated to the Multimodal Operations and Programs division.

DEPARTMENT OF TRANSPORTATION

MISSISSIPPI RIVER PARKWAY COMMISSION

The Mississippi River Parkway Commission (MRPC) is a local component of the national MRPC established by Congress in the Federal Aid Highway Act of 1954. The MRPC's primary function is to promote the Great River Road extending along the Mississippi River from the Trans-Canadian Highway to the Gulf of Mexico. Signs along the highway identify lakes, streams, bridges, historical sites, unusual or beautiful land formations, and legendary areas.

Fiscal Year 2010 Governor's Recommendations

- (\$50,000) core reduction from the Fiscal Year 2009 appropriation level.

**DEPARTMENT OF TRANSPORTATION
MULTIMODAL OPERATIONS AND PROGRAMS**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Multimodal Operations	\$ 7,072,749	\$ 7,877,662	\$ 7,574,893
Transit Programs			
Capital Assistance for Transportation of Elderly and Disabled Citizens	815,061	2,440,000	2,586,400
New Freedom Transit Program	111,261	600,000	600,000
State Aid for Transportation of Elderly, Disabled, and Low-Income Citizens	2,873,420	3,443,732	3,443,732
Small Urbanized Transit Assistance	0	1	1
Small Urban and Rural Transportation Program	12,662,680	9,000,000	9,540,000
Job Access and Reverse Commute Transit Grants	197,250	1,200,000	1,200,000
Public Transit Capital Grants	6,762,801	8,480,000	8,480,000
Transit Planning Grants	5,074,892	6,004,900	6,365,194
Railroad Programs			
Local Rail Freight Assistance Program	0	1	1
State Passenger Rail Assistance and Station Improvements	7,425,000	8,025,000	9,025,000
Rail Equipment	0	1	1
Light Rail Safety	0	1	1
Railroad Grade Crossing Safety	2,283,751	1,500,000	1,500,000
Aviation Programs			
State Aid to Airports/Federal Aviation Assistance	29,446,787	17,500,000	20,500,000
Waterways Programs			
State Aid to Port Authorities	<u>610,000</u>	<u>610,000</u>	<u>626,000</u>
TOTAL	\$ <u>75,335,652</u>	\$ <u>66,681,298</u>	\$ <u>71,441,223</u>
General Revenue Fund	12,371,541	13,009,321	14,192,923
Federal Funds	48,588,008	41,242,989	42,305,870
Grade Crossing Safety Account	2,283,751	1,500,000	1,500,000
State Road Fund	508,826	657,743	468,755
Other Funds	11,583,526	10,271,245	12,973,675

DEPARTMENT OF TRANSPORTATION

MULTIMODAL OPERATIONS AND PROGRAMS

MULTIMODAL OPERATIONS

This program area supports non-highway programs, including aviation, transit, rail, and waterways. The transit section provides financial and technical assistance to public transit and specialized transit providers across the state. This function is carried out through the administration of state and federal programs related to general public transportation, as well as specific transit programs for agencies serving senior citizens and/or persons with disabilities.

The rail section is responsible for regulating and improving freight rail services, passenger rail service, rail safety outreach, light rail safety oversight, rail/highway construction, and railroad/highway grade crossing safety. The rail division also prepares and implements a state rail plan and administers federal funds to increase safety at railroad crossings.

The aviation section oversees state and federal funding programs for airport maintenance and capital improvement projects. This section is also responsible for airport safety inspections, maintaining the state airport systems plan, and working with local governments to secure federal aviation funding.

The waterways section assists cities and counties in forming port authorities that foster local economic growth. This section also provides technical assistance and capital and administrative funding to assist with port operations.

Fiscal Year 2010 Governor's Recommendations

- \$564,838 State Transportation Fund for the State Transit Program to replace general revenue reductions.
- \$10,000 Aviation Trust Fund for pay equity in the aviation section and additional authority to draw down federal aviation funds.
- \$60,809 federal and other funds for pay plan.
- \$81,000 State Road Fund and one staff reallocated from the Highway Construction Division for creation of a freight administrator position within the Rail Program.
- (\$609,416) and (0.83) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$564,838) general revenue.
- (\$410,000) other funds core reduction of one-time expenditures.

CAPITAL ASSISTANCE FOR TRANSPORTATION OF ELDERLY AND DISABLED CITIZENS

The transit section administers the federal Section 5310 program that provides assistance to local not-for-profit transportation providers and public entities serving the elderly and people with disabilities. These entities use the federal funds to match local funds for purchasing vehicles.

Fiscal Year 2010 Governor's Recommendations

- \$146,400 Multimodal Operations Federal Fund for additional grants.

NEW FREEDOM TRANSIT PROGRAM

Federal funds available through the Section 5317 program assist transit agencies and non-profit organizations in providing mobility services beyond those services required in the Americans with Disabilities Act (ADA). These federal funds can be used to offset up to 50 percent of operating losses and up to 80 percent of planning and capital expenses related to these services beyond ADA mobility services.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

STATE AID FOR TRANSPORTATION OF ELDERLY, DISABLED, AND LOW-INCOME CITIZENS

The Missouri Elderly and Handicapped Transportation Assistance Program provides operating assistance for not-for-profit transportation providers serving elderly and disabled Missourians. State funds are used to match local, private, and federal funds available to these providers.

Fiscal Year 2010 Governor's Recommendations

- \$351,560 State Transportation Fund to replace the general revenue reductions.
- (\$351,560) core reduction from the Fiscal Year 2009 appropriation level.

DEPARTMENT OF TRANSPORTATION

MULTIMODAL OPERATIONS AND PROGRAMS (Continued)

SMALL URBANIZED TRANSIT ASSISTANCE

The federal Section 5307 program provides operating and capital assistance to public transportation systems in cities with populations between 50,000 and 200,000. These federal funds can be used to fund up to 50 percent of transit operating expenses and up to 80 percent of capital costs such as transit vehicle and equipment purchases.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

SMALL URBAN AND RURAL TRANSPORTATION PROGRAM

Federal funds authorized under Section 5311 are used to assist small urban and rural areas with a population less than 50,000. These federal grants can be used to fund up to 50 percent of transit operating expenses, and up to 80 percent of administrative, planning, and capital expenses such as vehicle and equipment purchases.

Fiscal Year 2010 Governor's Recommendations

- \$540,000 Multimodal Operations Federal Fund for additional grants.

JOB ACCESS AND REVERSE COMMUTE TRANSIT GRANTS

Federal funds available through the Section 5316 program assist transit agencies in providing additional services to address work-related transportation needs. These federal funds can be used to offset up to 50 percent of operating losses and up to 80 percent of planning and capital expenses.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

PUBLIC TRANSIT CAPITAL GRANTS

The federal Section 5309 program provides financial assistance to rural and urban transit operators. These funds can be used to purchase buses and bus-related facilities and equipment.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

TRANSIT PLANNING GRANTS

Federal funds support metropolitan transportation planning activities in seven areas: St. Louis, Kansas City, Springfield, Columbia, St. Joseph, Joplin, and Jefferson City. This program provides demographic forecasting, corridor studies, transit service analysis, route and schedule evaluation, financial capacity analysis, special needs investigations, as well as traffic and transit management studies in those areas.

Fiscal Year 2010 Governor's Recommendations

- \$360,294 Multimodal Operations Federal Fund for financial assistance to metropolitan planning organizations.

DEPARTMENT OF TRANSPORTATION

MULTIMODAL OPERATIONS AND PROGRAMS (Continued)

LOCAL RAIL FREIGHT ASSISTANCE PROGRAM

This program distributes federal financial assistance for rail facility acquisition, rehabilitation, improvement, or construction. Program activities are contingent upon the availability of federal funding through Section 5 of the Department of Transportation Act.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

STATE PASSENGER RAIL ASSISTANCE AND STATION IMPROVEMENTS

Through the state Passenger Rail Assistance Program, Missourians are able to enjoy the benefits of rail service between Kansas City and St. Louis, with stops at various cities along the route. The state pays for the direct costs of running the twice-daily train route and provides small amounts of funding for station improvements to cities that own train stations.

Fiscal Year 2010 Governor's Recommendations

- \$2,100,000 to continue twice-daily passenger rail service across the state.
- (\$1,100,000) State Transportation Fund core reduction from the Fiscal Year 2009 appropriation level.

RAIL EQUIPMENT

As the federal government considers a nationwide system of high-speed rail transportation, federal funds may become available to states. Missouri participates as needed in the planning process for a future Midwest Rail High-Speed Network.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

LIGHT RAIL SAFETY

This program provides staff to oversee safety issues and investigate accidents involving the light rail system and to work with communities exploring the possibilities of implementing a light rail system. The light rail operator bears the cost of this program by reimbursing the state for its services.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

RAILROAD GRADE CROSSING SAFETY

This program provides state and federal funding to complete projects improving the safety of railroad grade crossings. The state funds come from a fee assessed on each motor vehicle at the time of motor vehicle licensing.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

STATE AID TO AIRPORTS/FEDERAL AVIATION ASSISTANCE

This program uses state and federal funds for airport capital improvements; maintenance of runways, taxiways, and aprons; and for emergency repairs on safety-related items. The state portion of these projects is funded from the Aviation Trust Fund, which receives the use tax collected on aviation fuel.

Fiscal Year 2010 Governor's Recommendations

- \$3,000,000 Aviation Trust Fund for increased budget authority.

DEPARTMENT OF TRANSPORTATION

MULTIMODAL OPERATIONS AND PROGRAMS (Continued)

STATE AID TO PORT AUTHORITIES

This program provides a limited amount of funding to local port authorities for administration, planning and development activities. The active port authorities in Missouri are the Howard/Cooper County Regional Port Authority; Jefferson County Port Authority; Pemiscot County Port Authority; Southeast Missouri Regional Port Authority; Mississippi County Port Authority; New Madrid County Port Authority; New Bourbon Port Authority; St. Joseph Regional Port Authority; Lewis County-Canton Missouri Port Authority; Marion County Port Authority; Mid-America Port Commission; and the Ports of Kansas City, St. Louis, and St. Louis County.

Fiscal Year 2010 Governor's Recommendations

- \$176,000 State Transportation Fund to replace other funds and increase support for the Ferry Boat Assistance Program from State Road Fund.
- (\$160,000) State Road Fund core reduction from the Fiscal Year 2009 appropriation level.

OFFICE OF ADMINISTRATION

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Commissioner's Office	\$ 1,267,524	\$ 1,525,966	\$ 1,539,657	\$ 2,094,530
Division of Accounting	2,161,461	2,446,725	2,451,226	2,306,113
Division of Budget and Planning	1,632,882	1,754,867	1,941,023	1,895,498
Division of Information Services	124,054,869	189,383,339	195,016,639	177,071,081
Division of Personnel	2,389,229	2,621,337	2,627,591	2,558,496
Division of Purchasing and Materials Management	5,041,741	3,721,705	3,727,707	3,695,769
Division of Facilities Management, Design and Construction	0	25,000	25,000	25,000
Division of General Services	5,907,903	8,978,329	8,911,846	8,875,859
Assigned Programs	5,361,451	6,438,647	6,454,164	6,436,592
Debt and Related Obligations	93,369,398	94,975,564	94,551,053	94,501,053
Administrative Disbursements	33,155,461	7,195,005	7,045,005	8,495,006
TOTAL	\$ 274,341,919	\$ 319,066,484 *	\$ 324,290,911	\$ 307,954,997
General Revenue Fund	168,383,623	181,888,270	187,444,638	172,735,297
Federal Funds	60,988,134	72,891,737	72,367,156	72,698,333
Other Funds	44,970,162	64,286,477	64,479,117	62,521,367
Full-time equivalent employees	1,935.25	2,085.96	2,112.46	2,038.32

*Does not include \$5,000,000 recommended in the Fiscal Year 2009 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Office of Administration supplemental appropriations.

DEPARTMENT SUMMARY

The Fiscal Year 2010 budget provides a total of \$308 million for the Office of Administration. The Office of Administration provides services for all state agencies and serves as the state's administrative office. The core functions provided by the Office of Administration include:

- Administering budget and accounting activities for the state.
- Administering the human resources system.
- Coordinating data processing and telecommunications for state agencies.
- Providing and maintaining office and other space for governmental operations.
- Procuring supplies, equipment, and services for state agencies.
- Managing the state transportation fleet.

OFFICE OF ADMINISTRATION

COMMISSIONER'S OFFICE

The Commissioner directs the one agency that provides central services and support to all other agencies of state government. These services include accounting, budget and planning, information technology services, asset management, personnel, purchasing and materials management, and general services.

Fiscal Year 2010 Governor's Recommendations

- \$559,821 for the Complete Count Committee, created by Executive Order to maximize Missouri's participation in the 2010 census to ensure all Missourians are counted—including hard to enumerate groups and areas, so that Missouri is fairly represented in the new census and all its effects.
- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$39,817 for pay plan.
- \$13,690 reallocated from the Division of General Services for mail services.
- \$1 OA Federal and Other Fund reallocated from the Division of Budget and Planning for specialized research.
- (\$44,766) and (0.50) staff core reduction from the Fiscal Year 2009 appropriation level.

DIVISION OF ACCOUNTING

The Division of Accounting maintains all financial records for state appropriations and funds, processes payments, controls production of warrants, and distributes checks. The division also issues warrants to the State Treasurer for expenditures; maintains computerized accounting, payroll, and check writing systems; and administers the Social Security Act for the state and political subdivisions. The division also provides financial data to executive and legislative officials.

Fiscal Year 2010 Governor's Recommendations

- \$63,063 for pay plan.
- \$4,501 reallocated from the Division of General Services for mail services.
- (\$208,176) and (4.50) staff core reduction from the Fiscal Year 2009 appropriation level.

DIVISION OF BUDGET AND PLANNING

The Division of Budget and Planning analyzes state government programs and provides recommendations and information to the Governor, General Assembly, and state agencies regarding fiscal and other policies. The division prepares the budget instructions, reviews agency budget requests, prepares the annual executive budget, analyzes economic and demographic conditions, forecasts state revenues, and conducts technical policy and program analysis. To assist in state government management, the division controls appropriation allotments, manages the automated state budget system, prepares legislative fiscal notes, analyzes and develops policy options, and reviews federal issues and their impact on Missouri. The division prepares population estimates and projections required by state and local agencies and is Missouri's liaison to the United States Bureau of the Census.

Fiscal Year 2010 Governor's Recommendations

- \$182,653 and 0.50 staff for reapportionment and census activities.
- \$1 federal funds on an open-ended basis for the purpose of accessing, maximizing and/or leveraging federal fiscal relief funds, when such funds become available, for construction projects throughout the state as identified, prioritized and supervised by the Commissioner of Administration, with notice to the General Assembly.
- \$47,282 for pay plan.
- \$3,504 reallocated from the Division of General Services for mail services.
- (\$92,808) and (two) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$1) OA Federal and Other Fund reallocated to the Commissioner's Office for specialized research.

INFORMATION TECHNOLOGY SERVICES DIVISION

The Information Technology Services Division (ITSD) provides mainframe computer processing services to all state agencies through the consolidated State Data Center. The state's telecommunication services are managed by the division, and those services are provided to state agencies. The division also provides Internet services, information technology education services, and network support to all state agencies. In Fiscal Year 2006, management of state information technology resources was consolidated under the Office of Administration.

OFFICE OF ADMINISTRATION

INFORMATION TECHNOLOGY SERVICES DIVISION (Continued)

In Fiscal Year 2007, the scope of information technology consolidation was expanded to transfer information technology (IT) budgets from agencies to the Information Technology Services Division. IT budgets from the Departments of Agriculture; Corrections; Economic Development; Elementary and Secondary Education; Health and Senior Services; Board of Higher Education; Insurance, Financial Institutions and Professional Registration; Labor and Industrial Relations; Revenue; and Social Services were consolidated into the Information Technology Services Division.

Fiscal Year 2010 Governor's Recommendations

- \$5,000,000 Unemployment Automation Fund to replace fund reduction for the Department of Labor and Industrial Relations' enterprise project.
- \$1,927,410 for various information technology requirements.
- \$731,780 for e-mail retention, additional consolidation of the Department of Natural Resources and the Highway Patrol, and annual maintenance needs.
- \$1,431,741 for pay plan, including \$757,642 general revenue.
- \$3,228,819 and two staff reallocated internally within the Information Technology Services Division, including \$2,349,500 general revenue.
- \$566,500 other funds and ten staff transferred from the Department of Labor and Industrial Relations for new system development.
- \$198,175 transferred from the Department of Corrections for Chillicothe information systems expenditures.
- \$35,282 transferred from the Department of Public Safety for the Fire Sprinkler System and Boiler Program System maintenance, including \$6,532 general revenue.
- \$15,000 Excellence in Education Fund transferred from the Department of Elementary and Secondary Education for computer equipment.
- \$3,504 reallocated from the Division of General Services for mail services.
- \$3,000 transferred from the Department of Economic Development for the Film Commission.
- \$2,097 transferred from the Department of Agriculture for Animal Health, Milk Plant Inspection, and Vet Student Loan information technology projects, including \$1,000 general revenue.
- \$1,613 other funds transferred from the Department of Natural Resources for State Parks operations.
- (\$11,993,728) and (25.64) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$6,993,728) general revenue.
- (\$10,212,939) for one-time expenditures, including (\$6,889,091) general revenue.
- (\$3,182,778) and (two) staff reallocated internally within the Information Technology Services Division, including (\$2,349,500) general revenue.
- (\$50,375) transferred to the Department of Corrections for educational materials.
- (\$17,359) transferred to the Department of Agriculture for the Division of Weights and Measures.

DIVISION OF PERSONNEL

The Division of Personnel provides central human resource management programs and services to all executive branch departments in compliance with the State Personnel Law and the principles of sound human resource management. Responsibilities include operation of the Missouri Merit System, position classification and compensation management, supervisory and management training, coordination of labor relations, and providing management expertise and other services to assist agencies.

The Personnel Advisory Board sets rules and regulations for the Merit System, approves classifications and pay plans, conducts appeal hearings for applicants and employees, and advises the Division of Personnel and the Governor on human resource administration.

Fiscal Year 2010 Governor's Recommendations

- \$72,093 for pay plan.
- \$6,254 reallocated from the Division of General Services for mail services.
- (\$141,188) and (three) staff core reduction from the Fiscal Year 2009 appropriation level.

OFFICE OF ADMINISTRATION

DIVISION OF PURCHASING AND MATERIALS MANAGEMENT

The Division of Purchasing and Materials Management centralizes procurement to save money by purchasing supplies, materials, and services in larger quantities and encourages competitive bidding and awards on all contracts. All of state government is served except the University of Missouri, Lincoln University, Truman State University, Missouri Department of Transportation, Judiciary, Lottery, and the General Assembly. It encourages the participation of suppliers, including small disadvantaged businesses, in the competitive bid process and ensures compliance with Chapter 34, RSMo. The division also coordinates recycling collection efforts of state agencies and administers the Recycling Products Preference Program. The materials management section recycles property among agencies and sells surplus state equipment through negotiated, sealed bids, and auction sales. Surplus property sales receipts are used to pay the expenses of surplus property sales with the remaining receipts distributed to the appropriate state funds from which the equipment was purchased. This section also administers the Federal Surplus Property Program that distributes donated new and used federal surplus property to eligible entities which include all state agencies, political subdivisions, not-for-profit health and education entities, and service agencies that meet the federal program guidelines.

Fiscal Year 2010 Governor's Recommendations

- \$71,359 for pay plan, including \$47,597 general revenue.
- \$6,002 reallocated from the Division of General Services for mail services.
- (\$103,297) and (two) staff core reduction from the Fiscal Year 2009 appropriation level.

DIVISION OF FACILITIES MANAGEMENT, DESIGN AND CONSTRUCTION

The Division of Facilities Management, Design and Construction provides professional asset management services to assist state entities in meeting their facility needs for the benefit of the public. These services include: Real Estate Services, Portfolio Management, Facility Management, Project Management, Construction Management, Contract Management, Facility Condition Assessment, Space Management, Space Standards, Statewide Master Plan, and Energy Management. The mission is to provide a superior workplace environment for state occupants and their visitors, and protect the State's investments in property assets. The goal is to provide agencies with the information and resources that will support their development of high-performance workplaces—workplaces that will meet agencies' business needs and can be readily adapted to changing work practices and strategies. While appropriation authority for the division will appear in the Office of Administration appropriation bill, the funds for purposes of the Executive Budget appear in the Statewide Real Estate appropriations bill.

Fiscal Year 2010 Governor's Recommendations

- Eight staff transferred from the Department of Corrections for Chillicothe research and development, and for the new Community Supervision Centers.
- (26) staff core reduction from the Fiscal Year 2009 appropriation level.

DIVISION OF GENERAL SERVICES

The Division of General Services provides agencies with a variety of support services including printing, fleet management, administration of the Legal Expense Fund and the state employee Workers' Compensation Program, vehicle maintenance, mail services, and administration of the Missouri State Employees Charitable Campaign. The Division of General Services provides staff to administer the Missouri Public Entity Risk Management Fund, a liability and property insurance pool for Missouri public entities. In December 2005 the Commissioner of Administration established an interagency committee to evaluate options for improving the efficiency of state agency mail services. This committee, composed of representatives from all executive agencies, worked together over several months and recommended the internal consolidation of mail services using a phased-in approach. All Executive branch agencies except MoDOT, Conservation, Revenue, and Social Services consolidated into the Office of Administration in Phase I during Fiscal Year 2008. Revenue and Social Services are planned to be added in Phase II, once the initial consolidation has been fully established and is functioning efficiently.

Fiscal Year 2010 Governor's Recommendations

- \$25,800 for pay plan.
- (\$61,787) and (one) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$52,972) reallocated to various divisions for mail services.
- (\$13,511) transferred to Real Estate and the State Tax Commission for mail services.

OFFICE OF ADMINISTRATION

ASSIGNED PROGRAMS

ADMINISTRATIVE HEARING COMMISSION

The Administrative Hearing Commission conducts evidentiary hearings and makes findings of fact and conclusions of law relating to contested cases between private parties and state agencies. The commission's jurisdiction includes, among other things, appeals involving professional licensing matters, tax decisions by the Director of Revenue, MO HealthNet provider certifications and claims, assessments by the Missouri Ethics Commission, and certain actions by the Highways and Transportation Commission relating to railroads and motor carriers.

Fiscal Year 2010 Governor's Recommendations

- \$24,919 for pay plan.
- \$5,762 reallocated from the Division of General Services for mail services.
- (\$61,015) and (1.5) staff core reduction from the Fiscal Year 2009 appropriation level.

OFFICE OF CHILD ADVOCATE

Pursuant to HB 1453 (2004), the Office of the Child Advocate operates as an independent agency under the Office of the Governor within the Office of Administration. The ombudsman provides families and citizens with an avenue through which they can obtain an independent and impartial review of the decisions and/or actions made by the Department of Social Services Children's Division.

There are three main duties of the advocate's office: 1) provide education to Missouri citizens regarding the child welfare process, including investigation, case management, and the court system; 2) receive and investigate complaints from citizens regarding the child welfare system; and 3) make recommendations on improving the system.

Fiscal Year 2010 Governor's Recommendations

- \$6,249 for pay plan, including \$4,115 general revenue.
- (\$11,717) core reduction from the Fiscal Year 2009 appropriation level.

CHILDREN'S TRUST FUND

The Children's Trust Fund and Children's Trust Fund Board were established to facilitate and fund the development of community-based prevention programs to strengthen families, prevent child abuse and neglect, and to provide public education about the problem of child abuse and its prevention. Activities of the Children's Trust Fund are divided into two broad areas: public education and program development, and funding. Each includes an array of programs to meet the goals of the board.

Fiscal Year 2010 Governor's Recommendations

- \$6,336 Children's Trust Fund for pay plan.

GOVERNOR'S COUNCIL ON DISABILITY

The Governor's Council on Disability promotes full participation of the nearly one million Missourians with disabilities in all aspects of community life by educating employers, employees, local and state governments, persons with disabilities, and other interested parties of their rights and responsibilities under the Americans with Disabilities Act, Missouri Human Rights Act, and other disability rights laws.

Fiscal Year 2010 Governor's Recommendations

- \$5,007 for pay plan.
- (\$14,222) core reduction from the Fiscal Year 2009 appropriation level.

OFFICE OF ADMINISTRATION

ASSIGNED PROGRAMS (Continued)

MISSOURI PUBLIC ENTITY RISK MANAGEMENT PROGRAM

The Missouri Public Entity Risk Management Program (MOPERM) was established in 1987 to provide a shared risk pool for local governmental agencies to have affordable insurance coverage. MOPERM provides entities with both liability and property coverage. The Office of Administration provides staff for this program, but is reimbursed for all expenses incurred on behalf of MOPERM.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

MISSOURI ETHICS COMMISSION

The Missouri Ethics Commission is charged with successfully fulfilling the duties and responsibilities described in Chapters 105 and 130, RSMo. These duties and responsibilities include, but are not limited to, the administration of the following: campaign finance disclosure, report review and audit, lobbyist registration, lobbyist report review and audit, personal financial disclosure statement, opinion writing in response to formal requests, investigation of conflict of interest allegations, audit and investigation of complaints, and investigation of alleged code of conduct violations.

Fiscal Year 2010 Governor's Recommendations

- \$26,871 for pay plan.
- \$9,755 reallocated from the Division of General Services for mail services.

DEBT AND RELATED OBLIGATIONS

BOARD OF PUBLIC BUILDINGS DEBT SERVICE

This appropriation is for payment of principal, interest, and reserve requirements on outstanding bonds.

Fiscal Year 2010 Governor's Recommendations

- (\$418,200) core reduction from the Fiscal Year 2009 appropriation level.

LEASE/PURCHASE DEBT SERVICE

This appropriation is for the payment of principal and interest on outstanding financings.

Fiscal Year 2010 Governor's Recommendations

- (\$3,250) core reduction from the Fiscal Year 2009 appropriation level.

MISSOURI HEALTH AND EDUCATIONAL FACILITIES AUTHORITY DEBT SERVICE

The Missouri Health and Educational Facilities Authority (MoHEFA) has issued \$39,999,569 in Series A 1989 Missouri College Savings Bonds to fund building projects at the University of Missouri. In November 2001, \$35 million in bonds were issued for the University of Missouri-Columbia Arena Project.

Fiscal Year 2010 Governor's Recommendations

- (\$3,061) core reduction from the Fiscal Year 2009 appropriation level.

OFFICE OF ADMINISTRATION

DEBT AND RELATED OBLIGATIONS (Continued)

DEBT MANAGEMENT

This appropriation is for professional assistance with managing the state's \$2.8 billion outstanding debt so that the Office of Administration can monitor the debt and act quickly to take advantage of savings opportunities.

Fiscal Year 2010 Governor's Recommendations

- (\$50,000) core reduction from the Fiscal Year 2009 appropriation level.

NEW JOBS TRAINING CERTIFICATES

Sections 178.892 to 178.896, RSMo, established the New Jobs Training Program. Businesses establishing new jobs in the state can enter into an agreement with a community college district to provide training for new employees. The training is funded from the proceeds of new jobs training certificates issued by community college districts. The debt service on the certificates is payable from the employees' Missouri income tax withholding credits. If the business would sharply decrease or eliminate its operations, funds may not be available to meet debt service costs.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

CONVENTION AND SPORTS COMPLEX PROJECTS

SB 295 (1989) authorized annual appropriations of state matching funds for convention and sports complex capital projects in certain cities and counties. Ongoing projects include: Jackson County Sports Complex Stadium, \$3,000,000; Bartle Hall, \$2,000,000; and Edward Jones Dome, \$12,000,000.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

BOARD OF UNEMPLOYMENT FUND FINANCING

HB 1268 (2004) established the Board of Unemployment Fund Financing and authorized them to sell up to \$450 million of credit instruments or enter into financial agreements to provide funds for payments of employment benefits to maintain an adequate fund balance in the Employment Compensation Fund.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

OFFICE OF ADMINISTRATION

ADMINISTRATIVE DISBURSEMENTS

Acting as the central financial agency for the state, the Office of Administration makes numerous disbursements each year.

CASH MANAGEMENT IMPROVEMENT ACT

The federal Cash Management Improvement Act of 1990 and 1992 requires that the state pay interest on certain federal grant monies while deposited in the State Treasury. Interest is calculated and paid at the daily equivalent of the annualized 13-week average Treasury Bill Rate.

Fiscal Year 2010 Governor's Recommendations

- \$1,600,000 to better reflect planned expenditures.

AUDIT RECOVERY DISTRIBUTION

This is a mechanism to allow the distribution of a percentage of monies recovered by the state to the audit firm that recovers the money.

Fiscal Year 2010 Governor's Recommendations

- (\$49,999) core reduction from the Fiscal Year 2009 appropriation level.

BUDGET RESERVE INTEREST

In the event that the General Revenue Fund borrows money from the Budget Reserve Fund or other funds, general revenue must repay the loan with interest. This mechanism will allow that to happen.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

TRANSFER TO BUDGET RESERVE FUND

Article IV, Section 27(a), requires a transfer from either general revenue or the Budget Reserve Fund, depending on the balance left in the Budget Reserve Fund at the close of a fiscal year.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

OTHER FUND CORRECTIONS

A transfer section is needed as a mechanism by which corrections can be made when money is erroneously deposited into the wrong fund.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

OFFICE OF ADMINISTRATION

ADMINISTRATIVE DISBURSEMENTS (Continued)

FLOOD CONTROL LANDS GRANT

The Flood Control Lands Grant is a “pass-through” of funds that represents 75 percent of the monies from leases of the land owned by the United States under the Flood Control Act. Sections 12.080 and 12.090, RSMo, prescribe that the funds be used for the benefit of public schools and public roads of the county in which the government land is situated. These funds may also be used for any expenses of the county government, including public obligations of levee and drainage districts for flood control and drainage improvements.

Fiscal Year 2010 Governor’s Recommendations

Continue funding at the current level.

NATIONAL FOREST RESERVE GRANT

The National Forest Reserve Grant is a “pass-through” of funds received from the federal government. Sections 12.070 and 12.090, RSMo, provide for 25 percent of all the money received by the National Forest Reserve by the state to be expended for the benefit of public schools and public roads of the county in which the forest reserve is located. Of the total received, 75 percent will be spent for public schools and 25 percent for public roads.

Fiscal Year 2010 Governor’s Recommendations

Continue funding at the current level.

COUNTY PROSECUTION REIMBURSEMENTS

The state may provide reimbursement to counties for expenses incurred in the prosecution of crimes within correctional institutions and expenses of trials of capital cases in limited circumstances.

Fiscal Year 2010 Governor’s Recommendations

Continue funding at the current level.

REGIONAL PLANNING COMMISSIONS

State financial aid enables local governments, through regional planning commissions, to initiate programs and services identified as important by member governments. State funds are matched by local funds.

Fiscal Year 2010 Governor’s Recommendations

- (\$100,000) core reduction from the Fiscal Year 2009 appropriation level.

ELECTED OFFICIALS TRANSITION

The state provides operating costs for the transition into office of newly elected officials, including the Governor, Lieutenant Governor, Secretary of State, Auditor, Treasurer, and Attorney General.

Fiscal Year 2010 Governor’s Recommendations

- (\$150,000) for one-time expenditures.

FRINGE BENEFITS

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
OASDHI Taxes	\$ 152,635,436	\$ 166,566,239	\$ 166,519,852	\$ 169,191,464
Missouri State Employees' Retirement System	246,390,897	270,417,330	270,299,237	276,746,938
Teacher Retirement Contributions	2,419,850	3,540,560	3,540,560	3,540,560
Deferred Compensation	11,017,295	16,669,697	16,656,979	15,859,877
Unemployment Benefits	2,991,706	4,031,684	4,031,684	4,031,684
Missouri Consolidated Health Care Plan	326,891,419	323,280,539	502,256,203	411,543,227
Other Post-Employment Benefits	15,022,657	30,174,172	46,674,172	46,674,172
Workers' Compensation	25,634,126	21,848,401	21,844,853	26,244,853
Other Employer Disbursements	3,147,321	862,002	862,002	862,002
TOTAL	\$ 786,150,707	\$ 837,390,624	\$ 1,032,685,542	\$ 954,694,777
General Revenue Fund	507,588,215	526,370,644	656,226,762	595,127,070
Federal Funds	139,003,523	158,036,143	198,239,611	188,926,753
Other Funds	139,558,969	152,983,837	178,219,169	170,640,954

FRINGE BENEFITS

CONTRIBUTION TO OASDHI TAXES

The State of Missouri pays the employer's share of federal Old Age and Survivors Disability and Health Insurance contributions on the salaries of all state employees. These funds are transferred to a contribution fund for matching payments to the Social Security Administration.

Fiscal Year 2010 Governor's Recommendations

- \$4,904,000 for increased costs to the state for social security benefits due to pay plan, including \$2,528,999 general revenue.
- \$1,831,000 for new staff statewide, including \$411,000 general revenue.
- \$569,772 State Highways and Transportation Department fund for increased costs from the Fiscal Year 2009 appropriation level.
- \$60,000 for increased costs to the state for social security benefits due to increases recommended by the Citizen's Commission for judges, including \$56,000 general revenue.
- \$20,410 State Facility Maintenance and Operation Fund for benefits associated with the transferred staff from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- \$12,000 State Parks Earnings fund for an increase in benefit costs associated with the minimum wage law.
- (\$4,705,160) core reduction from the Fiscal Year 2009 appropriation level, including (\$4,547,640) general revenue.
- (\$66,797) transferred to various departments to pay for fringe costs associated with contractual employees.

CONTRIBUTION TO MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

The State of Missouri provides an employer funded retirement program for employees through a contribution of a specified percentage of members' wages to the Missouri State Employees' Retirement System. Included in the state's contribution is a payment per month, per eligible employee to the Missouri State Employees' Benefit Plan and a payment of long-term disability premiums.

Fiscal Year 2010 Governor's Recommendations

- \$8,196,000 for increased costs to the state for retirement benefits due to pay plan, including \$5,496,998 general revenue.
- \$3,302,000 for new staff statewide, including \$762,000 general revenue.
- \$3,133,000 for increased costs from the Fiscal Year 2009 appropriation level, including \$1,578,000 general revenue.
- \$111,000 for increased costs to the state for retirement benefits due to increases recommended by the Citizen's Commission for judges, including \$104,000 general revenue.
- \$88,000 State Parks Earnings fund for an increase in benefit costs associated with the minimum wage law.
- \$35,964 State Facility Maintenance and Operation Fund for benefits associated with the transferred staff from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$8,382,299) core reduction from the Fiscal Year 2009 appropriation level, including (\$6,267,399) general revenue.
- (\$154,057) transferred to various departments to pay for fringe costs associated with contractual employees.

TEACHER RETIREMENT CONTRIBUTIONS

Section 104.342, RSMo, provides that the Commissioner of Administration shall requisition monthly and certify the payment of contributions to the Public School Retirement System (PSRS). Authority to transfer and expend these monies is required to comply with statutory provisions. Certified teachers involved are employed by the Department of Elementary and Secondary Education, Department of Mental Health, Department of Social Services, Department of Corrections, and remain members of the PSRS.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

FRINGE BENEFITS

DEFERRED COMPENSATION PROGRAM

The Missouri State Public Employees Deferred Compensation Commission was created by Sections 105.900 to 105.927, RSMo, to encourage employees to supplement the Missouri State Employees' Retirement Plan and their Social Security. The state currently matches up to \$35 per month of each employee's deferred compensation deposit.

Fiscal Year 2010 Governor's Recommendations

- \$377,700 for new staff statewide, including \$54,300 general revenue.
- \$3,175 State Facility Maintenance and Operation Fund for benefits associated with the transferred staff from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$1,174,802) core reduction from the Fiscal Year 2009 appropriation level, including (\$892,895) general revenue.
- (\$15,893) transferred to various departments to pay for fringe costs associated with contractual employees.

DISBURSEMENT FOR UNEMPLOYMENT BENEFITS

The State of Missouri, as a governmental entity, is required to pay contributions to the Division of Employment Security as specified by law so that unemployment claims may be paid to former employees. A governmental entity may elect to either pay contributions in advance based on a statutory formula or to reimburse the Division of Employment Security for actual claims paid out to former employees. The State of Missouri utilizes the reimbursement for actual claims paid option. By using this deferred method of payment and one central appropriation, the state simplifies the administration of unemployment benefits.

Fiscal Year 2010 Governor's Recommendations

- \$374 State Facility Maintenance and Operation Fund for benefits associated with the transferred staff from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$374) transferred to various departments to pay for fringe costs associated with contractual employees.

MISSOURI CONSOLIDATED HEALTH CARE PLAN

The Missouri Consolidated Health Care Plan administers health care benefits for state employees. In 1995, municipalities and other public entities were allowed to join the Missouri Consolidated Health Care Plan as well, building a larger pool of members and greater bargaining power for lower cost medical services.

Fiscal Year 2010 Governor's Recommendations

- \$95,930,230 to continue the state's share of the state employee health care benefit plan, including \$63,852,195 general revenue.
- \$4,185,000 for new staff statewide, including \$602,000 general revenue.
- \$62,403 State Facility Maintenance and Operation Fund for benefits associated with the transferred staff from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$11,614,262) core reduction from the Fiscal Year 2009 appropriation level, including (\$9,594,780) general revenue.
- (\$300,683) transferred to various departments to pay for fringe costs associated with contractual employees.

OTHER POST-EMPLOYMENT BENEFITS

The State of Missouri has an outstanding retiree health care benefit liability. Beginning in Fiscal Year 2008, GASB Rule 45 required state governments to account for this liability, which was \$1.3 billion for MCHCP at that time. In order to protect Missouri's outstanding credit rating, it is recommended that Missouri fully fund the annual required contribution.

Fiscal Year 2010 Governor's Recommendations

- \$16,500,000 for other post employment benefits, including \$11,055,000 general revenue.

FRINGE BENEFITS

WORKERS' COMPENSATION

The State of Missouri is responsible for payment of Workers' Compensation benefits to injured state employees in accordance with Chapter 287, RSMo. The payment of Workers' Compensation benefits for all state employees, excluding the Department of Transportation, the Missouri State Highway Patrol, and the University of Missouri system, is covered under this program and is administered by the Office of Administration's Division of General Services. Payments made by general revenue on behalf of employees paid from other funding sources are transferred from these funds back to general revenue. As a Workers' Compensation self-insurer, the state pays its Workers' Compensation tax and Second Injury Fund assessments based on billings received from the Department of Insurance, Financial Institutions and Professional Registration and the Division of Workers' Compensation.

Fiscal Year 2010 Governor's Recommendations

- \$4,400,000 to increase the appropriation to better reflect planned expenditures, including \$4,100,000 general revenue.
- (\$3,548) transferred to various departments to pay for fringe costs associated with contractual employees.

OTHER EMPLOYER DISBURSEMENTS

VOLUNTARY LIFE INSURANCE

State employees may opt to withhold funds for voluntary life insurance. This appropriation provides expenditure authority to distribute the monies withheld to the various life insurance companies as designated by the employees.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

CAFETERIA PLAN TRANSFER

The state offers a tax reduction plan for state employees. The federal government requires the state to provide a sufficient balance in the medical expenses category for timely reimbursements to plan participants.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

HUMAN RESOURCES CONTINGENCY FUND TRANSFER

This transfer section has been added to ensure that payroll checks submitted for payment against accounts with temporary allotment or fund cash flow problems can be generated within the time constraints of pay period processing.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF AGRICULTURE

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Office of the Director	\$ 27,583,199	\$ 49,657,726	\$ 67,392,498	\$ 55,029,852
Agriculture Business Development	3,783,021	5,368,135	5,643,483	4,732,375
Division of Animal Health	3,922,619	5,543,438	6,440,118	5,468,148
Division of Grain Inspection and Warehousing	2,091,617	2,853,296	2,894,559	2,820,629
Division of Plant Industries	2,866,249	3,041,812	3,201,129	2,919,084
Division of Weights and Measures	3,284,439	3,644,883	4,084,086	3,519,010
Missouri State Fair	4,223,514	4,999,539	4,890,089	4,915,808
State Milk Board	1,213,868	1,604,096	1,596,084	1,579,328
DEPARTMENTAL TOTAL	\$ 48,968,526	\$ 76,712,925	\$ 96,142,046	\$ 80,984,234
General Revenue Fund	36,421,911	57,718,487	77,229,457	63,270,916
Federal Funds	2,031,585	4,614,629	4,596,285	3,638,844
State Fair Fees Fund	3,096,667	4,421,958	4,312,508	4,379,660
Milk Inspection Fees Fund	1,090,890	1,483,114	1,478,619	1,443,588
Grain Inspection Fees Fund	1,251,174	1,921,544	1,908,570	1,899,192
Petroleum Inspection Fund	1,848,209	2,285,902	2,346,778	2,200,634
Petroleum Violation Escrow Fund	585,600	0	0	0
Agriculture Business Development Fund	96,295	220,833	220,833	223,010
Other Funds	2,546,195	4,046,458	4,048,996	3,928,390
Full-time equivalent employees	346.24	400.55	403.05	384.94

DEPARTMENT SUMMARY

The Fiscal Year 2010 budget provides a total of \$81 million for the Department of Agriculture. The department provides services for Missouri's farmers, ranchers, and agricultural processors. The core functions provided by the Department of Agriculture include:

- Promote Missouri agriculture, both at home and abroad.
- Assist start-up value-added agriculture businesses.
- Protect Missouri's livestock and domestic animals, and the businesses and citizens who rely on them.
- Inspect Missouri's fresh fruits, vegetables, milk, feed, seed, and forest products.
- Regulate, control, and inspect measuring devices and petroleum products.

DEPARTMENT OF AGRICULTURE

OFFICE OF THE DIRECTOR

The Office of the Director makes policy decisions on agricultural issues, sets the department's goals and priorities, and coordinates activities of the various divisions to achieve those goals. The Office of the Director includes administrative functions such as fiscal services, human resources, and public information. The Director's Office also administers the Ethanol Producer Incentive Program and the Biodiesel Producer Incentive Program.

Fiscal Year 2010 Governor's Recommendations

- \$6,275,000 for biodiesel incentives.
- \$458,000 to achieve the priorities of the department.
- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$29,899 for pay plan, including \$24,231 general revenue.
- (\$934,526) and (two) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$65,160) general revenue.
- (\$335,915) core reduction for one-time expenditures, including (\$667) general revenue.
- (\$120,000) transferred to the Department of Higher Education.
- (\$333) transferred to the Office of Administration for the statewide consolidation of information technology services.

DIVISION OF AGRICULTURE BUSINESS DEVELOPMENT

The Agriculture Business Development Division (ABD) increases the profitability of Missouri's farmers and agribusinesses by increasing international and domestic sales of agricultural products that are produced or processed in Missouri. The division provides six specific services: (1) business counseling, (2) domestic marketing assistance, (3) international marketing assistance, (4) industry facilitation, (5) product promotion, and (6) financial programs. The first five of these services are administered through the Business Services Program of ABD. Financial programs are administered through the Missouri Agriculture and Small Business Development Authority (MASBDA), which is governed by an independent board. MASBDA administers loans, loan guarantees, grants, and tax credits aimed at increasing the profitability of Missouri's farmers.

ABD also administers the AgriMissouri branding initiative which promotes products that are produced or processed in Missouri through a variety of marketing channels, including retail, restaurants, schools, institutions, and direct-to-consumer marketing. Over 250 Missouri businesses are members of AgriMissouri. Members of the Commission on the Marketing of Missouri Agricultural Products serve as advisors to the department's AgriMissouri marketing efforts.

Fiscal Year 2010 Governor's Recommendations

- \$44,581 for pay plan, including \$30,351 general revenue.
- (\$369,000) core reduction for one-time expenditures.
- (\$311,341) and (1.73) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$290,341) general revenue.

DIVISION OF ANIMAL HEALTH

The Division of Animal Health implements programs to protect Missouri's livestock, poultry, and other domestic animals from dangerous, infectious, or contagious diseases. These responsibilities include the enforcement of animal health regulations as required under Section 267.230. Through control and elimination of diseases and diseased animals, the division enables Missouri's livestock and poultry to remain eligible for interstate and international export marketing. Diagnostic laboratories are maintained in Jefferson City and Springfield, and additional professional services are contracted through the University of Missouri-Columbia College of Veterinary Medicine. The division also works closely with USDA-Veterinary Services and receives significant federal funding as a result of this relationship.

The division's Meat and Poultry Inspection Program works with producers to promote, protect, and develop the agricultural interests of Missouri processed meat products. This program helps livestock and poultry producers add value to their operations and capture additional profits from their meat products. To ensure the health and well-being of companion animals sold in Missouri, the division also licenses and inspects animal shelters, dog pounds, boarding kennels, commercial kennels, contract kennels, and pet shops.

DEPARTMENT OF AGRICULTURE

DIVISION OF ANIMAL HEALTH (Continued)

Fiscal Year 2010 Governor's Recommendations

- \$91,207 for pay plan, including \$57,087 general revenue.
- (\$127,919) and (6.9) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$76,920) general revenue.
- (\$36,666) core reduction for one-time expenditures, including (\$18,333) general revenue.
- (\$1,334) transferred to the Office of Administration for the statewide consolidation of information technology services, including (\$667) general revenue.
- (\$578) federal funds transferred to the Office of Administration for leasing costs.

DIVISION OF GRAIN INSPECTION AND WAREHOUSING

The Division of Grain Inspection and Warehousing operates four programs to assist Missouri grain farmers and agribusinesses. The Grain Regulatory Services Program enforces the Grain Warehouse Law, Chapter 411, RSMo, and the Grain Dealers Law, Section 276.401-276.581, RSMo, to ensure grain producers that license grain warehouses and grain dealers are reputable businesses in sound financial condition.

The Grain Inspection Services Program performs official inspection and weighing of grain upon request to assist both grain farmers and grain businesses in the marketing of Missouri's corn, soybean, wheat, and other grain crops. All costs are paid from fees charged for services performed.

The division also administers the state's Certified Agricultural Mediation Program, which mediates disputes between Missouri farmers and USDA agencies, and the Commodity Merchandising Program, which provides centralized administration for the collection and distribution of fees for nine commodity check-off programs.

Fiscal Year 2010 Governor's Recommendations

- \$67,054 for pay plan, including \$20,101 general revenue.
- (\$99,721) and (1.48) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$22,974) general revenue.

DIVISION OF PLANT INDUSTRIES

The Division of Plant Industries operates six programs and two laboratories serving Missouri agriculture. The Feed and Seed Program performs sampling and laboratory analyses of planting seed and commercial feeds to ensure that they meet requirements for accurate labeling. Inspections are also conducted to ensure good manufacturing practices are followed and that prohibited mammalian protein is not formulated into feed rations to help prevent the dissemination of BSE (Mad Cow Disease).

The Pesticide Control Program promotes the safe use of pesticides by licensing private and commercial applications, conducting field inspections, conducting investigations of pesticide misuse, and ensuring the proper registration of pesticides. The Plant Pest Control Program conducts inspections of nurseries, greenhouses, and other plant products to prevent the introduction and dissemination of insect, disease, and noxious weed pests that could be detrimental to plants and crops. Phytosanitary certification inspections are also conducted for plant materials being exported to other states and countries.

The Integrated Pest Management Program (IPM) promotes effective alternative strategies to traditional pest control through the use of biological control agents, pest resistant varieties, and adoption of improved cultural practices. The IPM Program also administers the Boll Weevil Eradication Program. The Forest Resources and Weed Control Program inspects treated wood products to ensure that minimum preservation standards are met and assists county weed control boards in the control and eradication of Johnson grass, a noxious weed. The Fresh Fruit and Vegetable Inspection Program performs shipping point and terminal market inspections of fresh produce to facilitate the sale of Missouri grown produce and ensure the quality of produce sold to consumers.

Fiscal Year 2010 Governor's Recommendations

- \$60,719 for pay plan, including \$46,395 general revenue.
- \$2,529 transferred from the Office of Administration.
- (\$107,976) and (1.54) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$78,000) core reduction for one-time expenditures.

DEPARTMENT OF AGRICULTURE

DIVISION OF WEIGHTS AND MEASURES

The Division of Weights and Measures operates four regulatory programs and two laboratories to fulfill its goal of protecting consumers. The Device and Commodity Program inspects livestock market, grain elevator, vehicle, and small retail scales and scanning devices to ensure their accuracy. In addition, milk sales practices are monitored and shell eggs are inspected for quality.

The Petroleum/Propane/Anhydrous Ammonia Program protects consumers against inaccurate and unsafe gasoline pumps and unsafe practices by the retailer. In addition, they approve propane gas delivery truck and dispenser meters to prevent overcharges on fuel bills and oversee anhydrous ammonia fertilizer installations for safety.

The Metrology Laboratory certifies volume and weight standards used by device service repair technicians, maintains all mass and volume standards used for calibrating industry standards, and certifies all weighing and measuring devices used by the division's inspectors. In addition, the Moisture Meter Program protects Missouri farmers against unjustified discounts on grain sales due to inaccurate moisture content values.

The Fuel Quality Program and laboratory collect samples and perform chemical analyses on gasoline, diesel fuel, heating oil, and other fuels to ensure that octane and other quality specifications are met.

Fiscal Year 2010 Governor's Recommendations

- \$72,620 for pay plan, including \$29,719 general revenue.
- \$14,830 transferred from the Office of Administration.
- (\$176,159) core reduction for one-time expenditures.
- (\$37,164) and (.89) staff core reduction from the Fiscal Year 2009 appropriation level.

MISSOURI STATE FAIR

The Missouri State Fair is held annually in August on the state fairgrounds in Sedalia. The fair provides a showcase for livestock, agricultural products, commercial exhibits, and other displays. In addition, the fair offers a variety of entertainment and educational events. The fairgrounds are used during the rest of the year for more than 300 exhibits, sales, meetings, competitions, and entertainment events.

Fiscal Year 2010 Governor's Recommendations

- \$56,758 State Fair Fees Fund and 1.63 staff to replace general revenue savings.
- \$56,449 for pay plan, including \$15,325 general revenue.
- (\$140,180) State Fair Fees Fund transferred to the Office of Administration for the statewide consolidation of fuel and utility purchases.
- (\$56,758) and (1.63) staff core reduction from the Fiscal Year 2009 appropriation level.

STATE MILK BOARD

The State Milk Board inspects, samples, and tests milk and milk products ensuring that they are wholesome and safe for consumption. The board operates both a Grade A Milk Inspection Program and a Manufacturing Grade Milk Inspection Program to ensure milk quality. An inspection fee of up to five cents per one hundred pounds of Grade A milk is assessed and deposited in the Milk Inspection Fees Fund to cover all costs of the Grade A Milk Inspection Program. The Manufacturing Grade Milk Inspection Program, which ensures sanitation and quality standards for milk used only for manufacturing dairy products (e.g. cheese, butter, and ice cream), is funded from general revenue because inspection fees have not been assessed on manufacturing grade milk producers. Approximately one-half of all Grade A milk is consumed as fluid milk with the remainder used for manufacturing purposes.

Fiscal Year 2010 Governor's Recommendations

- \$12,895 for pay plan, including \$3,166 general revenue.
- (\$36,373) and (1.07) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$3,853) general revenue.
- (\$860) Milk Inspection Fees Fund core reduction for one-time expenditures.
- (\$430) Milk Inspection Fees Fund transferred to the Office of Administration for the statewide consolidation of information technology services.

DEPARTMENT OF NATURAL RESOURCES

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Department Operations	\$ 5,320,420	\$ 5,727,466	\$ 5,815,962	\$ 5,725,988
Energy Center	11,556,495	9,676,047	9,995,077	9,469,308
Environmental Programs	175,894,338	237,745,417	248,904,318	231,102,967
Geology and Land Survey	3,241,539	3,771,829	3,797,784	3,694,044
Division of State Parks	33,610,182	38,861,992	39,402,383	39,462,831
Historic Preservation	2,215,633	4,737,366	5,779,662	4,545,889
Agency-Wide Implementation	23,160,014	27,706,885	27,521,441	26,408,182
Environmental Improvement and Energy Resources Authority	0	1	1	1
DEPARTMENTAL TOTAL	\$ 254,998,621	\$ 328,227,003	\$ 341,216,628	\$ 320,409,210
General Revenue Fund	11,742,801	15,153,322	26,193,322	13,326,399
Federal Funds	30,905,237	42,541,044	42,976,703	43,116,651
Other Funds	212,350,583	270,532,637	272,046,603	263,966,160
Full-time equivalent employees	1,791.68	1,813.94	1,831.94	1,795.56

DEPARTMENT SUMMARY

The Fiscal Year 2010 budget provides a total of \$320.4 million for the Department of Natural Resources, including a \$5.5 million increase in funds available for grants to landowners for soil and water conservation efforts. The department strives to preserve, protect, and enhance Missouri's natural, cultural, and energy resources. The core functions provided by the Department of Natural Resources include:

- Managing Missouri's state parks and cultural and historical resources.
- Protecting Missouri's water resources by enforcing state and federal environmental laws.
- Overseeing environmental programs that improve air quality and safely manage hazardous and solid waste.
- Helping landowners conserve fertile topsoil.
- Investigating the state's geology to determine the character and availability of the state's natural resources.
- Providing centralized resources for, and executing the overall state policy regarding, environmental regulation as well as developing the state's coordinated energy policy, including energy efficiency measures for farmers, builders, and local governments.

DEPARTMENT OF NATURAL RESOURCES

DEPARTMENT OPERATIONS

Department Operations is responsible for the development of statewide environmental and natural resource policies. Department Operations seeks to improve efficiency, drives customer-focused initiatives, ensures public participation in decision making, and attains results positively affecting the quality of water, air, land, energy, and recreational and cultural resources. Department Operations includes the Office of the Director, handles department policy and legal work, and provides communications and administrative support. The Office of the Director manages the department's four divisions, as well as the Energy Center, the Water Resources Center, and the Soil and Water Conservation Program, ensuring that the department meets all its responsibilities, statutory and otherwise. The office represents Missouri before several regional and national organizations and agencies, including the U.S. Environmental Protection Agency and a regional river basin association. Also a part of Department Operations, the Division of Administrative Support handles budget development, financial resource allocations, accounting, internal auditing, human resources, procurement, grants management, and general services.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$129,290 for pay plan, including \$15,932 general revenue.
- \$169,030 federal funds and one staff reallocated from other divisions.
- (\$174,113) and (three) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$125,686) reallocated to Water Resources.

ENERGY CENTER

The Energy Center, the state's designated office for helping Missourians produce and use energy wisely, efficiently, and renewably, fosters and protects the state's environment, resources, and economic prosperity.

Fiscal Year 2010 Governor's Recommendations

- \$34,314 federal and other funds for pay plan.
- (\$241,053) Energy Set-Aside Program Fund core reduction from the Fiscal Year 2009 appropriation level.

**DEPARTMENT OF NATURAL RESOURCES
ENVIRONMENTAL PROGRAMS**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Environmental Quality	\$ 23,149,137	\$ 27,422,898	\$ 27,913,424
Field Services	15,477,409	18,666,508	18,261,187
Inspection/Maintenance	1,013,344	1,332,416	1,350,978
Water Resources	2,755,152	3,281,553	3,305,048
Soil and Water Conservation	34,150,337	40,115,146	44,973,870
Environmental Financial Support	99,348,959	146,926,896	135,298,460
TOTAL	\$ 175,894,338	\$ 237,745,417	\$ 231,102,967
General Revenue Fund	8,521,294	10,758,437	9,669,074
Federal Funds	19,836,553	32,912,932	33,652,211
Other Funds	147,536,491	194,074,048	187,781,682

ENVIRONMENTAL PROGRAMS

ENVIRONMENTAL QUALITY

Water Protection Program – The division's Water Protection Program includes three branches--the Water Pollution Branch, the Drinking Water Branch, and the Financial Assistance Center. The Water Pollution Branch protects the quality of Missouri's groundwater, streams, and lakes, safeguarding these vital resources. This enhances agricultural production, forestry, fisheries, water-intensive manufacturing, water recreation, tourism, hunting, fishing, and human and animal consumption. The Public Drinking Water Branch ensures that all public drinking water systems provide clean and healthy drinking water for Missouri's citizens by ensuring that public water system construction and operation comply with the requirements of the federal Safe Drinking Water Act. The program oversees the proper construction of all wells, including water, oil and gas, exploration, heat pumps, and monitoring wells. The program also trains and certifies operators at Missouri's water supply and water treatment plants. The Financial Assistance Center administers the federal Clean Water and Drinking Water State Revolving Fund programs that provide low-interest loans and grants to Missouri communities for the construction of new, and the improvement of existing drinking water supply, wastewater treatment, and stormwater management systems.

Air Pollution Control Program – The Air Pollution Control Program (APCP) staff support the Air Conservation Commission, which develops policies to maintain and enhance the state's air quality for the protection of the public's health. Operating under the Clean Air Act's State Implementation Plans and Rules, the APCP reviews facility construction and operation permits to help ensure ambient air quality. Working with the department's regional office staff, the APCP identifies facilities that are not in compliance prior to pursuing any enforcement action. Collecting air quality and emission inventory data, the APCP provides benchmark data for Missouri air quality monitoring and planning. The APCP helps ensure that ozone levels in the St. Louis area improve and meet federal health-based air standards. Staff also coordinate air pollution control activities with other programs in the division and local air pollution control agencies.

Hazardous Waste Program – State and federal law require oversight of hazardous waste practices from the point of generation through final disposal to ensure the safe and legal handling of such materials. Together with required registration of hazardous waste generators, the program's manifest and quarterly reporting systems enable the program to identify the amount and types of waste generated, stored, containerized, transported off-site, and treated or otherwise disposed. The Hazardous Waste Program (HWP) also addresses abandoned or uncontrolled hazardous waste sites through preliminary assessments, site investigations, feasibility studies, remedial investigations, interim remedial measures, immediate removals, and long-term or final remedial actions. The HWP registers and regulates petroleum underground storage tanks; provides general and technical information concerning the installation, use, and closure of such systems; encourages compliance with underground storage tank law, regulations, and performance standards; and oversees corrective actions taken in response to leaks and other dangerously improper releases. In addition, the program provides oversight services for those who wish to voluntarily clean up contaminated properties, reviving them for productive use.

Solid Waste Management Program – The Solid Waste Management Program protects public health and the environment by requiring proper management of solid waste. The program encourages waste reduction, reuse, recycling, energy recovery, improved processing, and proper disposal. Implementing alternatives to the long-term storage of our waste will help to safeguard against landfill capacity shortages and will foster better use of our natural resources, including the otherwise productive land taken up to store our trash. Effectively regulating solid waste transportation, treatment, and storage through the implementation of solid waste management plans will help to minimize harmful land, water, and air pollution.

DEPARTMENT OF NATURAL RESOURCES

ENVIRONMENTAL PROGRAMS (Continued)

Land Reclamation Program – The Land Reclamation Program staff provide technical support for the Land Reclamation Commission. The commission regulates the surface mining of coal and other mineral commodities (such as barite, tar sands, clay, limestone, sand, and gravel) and provides for the reclamation of mined lands. Staff review mining and reclamation plans, issue permits that require security bonds to guarantee the reclamation of mined lands, and inspect sites to ensure reclamation performance. Program staff inventory and assess abandoned mined lands for health and pollution hazards to prioritize the reclamation of these abandoned areas.

Fiscal Year 2010 Governor's Recommendations

- \$589,321 for pay plan, including \$12,654 general revenue.
- \$186,200 federal and other funds and seven staff reallocated from other divisions.
- (\$284,995) and (4.26) staff core reduction from the Fiscal Year 2009 appropriation level.

FIELD SERVICES

Field Services activities support the implementation of the department's environmental services throughout the State of Missouri. To protect the state's publicly and economically valuable air, land and water resources, front-line staff provide consistent, efficient delivery of services where Missourians live and work through timely compliance assistance, inspection, on-site visits to permitted facilities, permit issuance, environmental emergency response, sampling and sample analysis, and the investigation of reported environmental complaints.

Fiscal Year 2010 Governor's Recommendations

- \$408,977 for pay plan, including \$112,784 general revenue.
- \$168,901 federal and other funds and eight staff reallocated from other divisions.
- (\$500,000) core reduction for one-time expenditures.
- (\$294,055) and (4.63) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$189,144) and (four) staff reallocated to Water Resources.

INSPECTION/MAINTENANCE

The department's vehicle emission inspection program is part of Missouri's continuing efforts to improve the air quality in the St. Louis area. Under the state's federally required plan to reduce pollution, vehicles registered in these areas must have an emissions test as part of their licensing requirements.

Fiscal Year 2010 Governor's Recommendations

- \$18,562 Missouri Air Emission Reduction Fund for pay plan.

DEPARTMENT OF NATURAL RESOURCES

ENVIRONMENTAL PROGRAMS (Continued)

WATER RESOURCES

Program hydrologists and geologists investigate and monitor surface water and groundwater resource characteristics, availability, and use to meet Missouri's comprehensive water needs. Staff operate a statewide groundwater aquifer-monitoring network with real-time water quantity data. Staff also collect and analyze surface-water flow data to safeguard against flood and drought. With the completion of Phase I and II of the State Water Plan, the program begins the statewide assessment of individual watersheds serving Missouri's communities and the state as a whole. Water Resources also administers the provisions of the Missouri Dam and Reservoir Safety Law. The department regulates all nonfederal, nonagricultural dams 35 feet and higher through registration, construction permits, and inspections. The program also defends the state's vital water resource interests, including those related to river transport, before numerous interstate and interagency river basin associations.

Fiscal Year 2010 Governor's Recommendations

- \$46,561 for pay plan, including \$34,670 general revenue.
- \$314,830 and four staff reallocated from Department Operations and Field Services.
- (\$337,896) and (2.66) staff core reduction from the Fiscal Year 2009 appropriation level.

SOIL AND WATER CONSERVATION

The Soil and Water Conservation Program implements the policies of the Soil and Water Districts Commission to ensure the long-term productivity of Missouri's most basic resource, the soil. Departmental staff aid Missouri's local soil and water conservation districts and administer several soil conservation programs funded by one-half of the one-tenth of one percent dedicated sales tax renewed by Missouri voters in August 2006. Soil and Water Sales Tax funded programs include: cost-sharing grants for up to 75 percent of farmers' costs to implement approved soil conservation practices; financial assistance for landowners for the purchase of approved conservation equipment; grants to local districts for administrative expenses and technical assistance; special incentives for intensive conservation measures in critical areas; and grants for research on soil conservation problems.

Fiscal Year 2010 Governor's Recommendations

- \$5,548,168 Soil and Water Sales Tax Fund to increase aid to private land owners for local soil and water conservation efforts.
- \$39,585 Soil and Water Sales Tax Fund for pay plan.
- (\$729,029) Soil and Water Sales Tax Fund and (17) staff reallocated to other divisions.

ENVIRONMENTAL FINANCIAL SUPPORT

The department administers a variety of funds for local governments and others to combat air pollution, clean up abandoned and uncontrolled hazardous waste sites, reclaim abandoned mine lands, monitor and test drinking water supplies, and construct or improve water and wastewater facilities.

Fiscal Year 2010 Governor's Recommendations

- \$730,364 to pay the state's obligation for the Superfund cleanup of contaminated sites.
- \$315,634 federal funds reallocated from Agency-Wide Implementation.
- (\$12,634,434) core reduction from the Fiscal Year 2009 appropriation level, including (\$648,575) general revenue.
- (\$40,000) core reduction for one-time expenditures.

GEOLOGY AND LAND SURVEY

Headquartered in Rolla, Missouri, the Division of Geology and Land Survey investigates the state's geology, providing geologic and hydrologic information and expertise to aid economic and environmental decision-making regarding site remediation's, contaminant migration, subsurface investigations and geologic hazards. The division also determines the character and availability of the state's water and mineral resources. The division is responsible for restoring and maintaining the U. S. Public Land Survey System in Missouri and serves as a repository for the state's land survey records. Division management represents the state through the Association of American State Geologists and Central U.S. Earthquake Consortium.

Fiscal Year 2010 Governor's Recommendations

- \$80,559 for pay plan, including \$17,744 general revenue.
- (\$158,344) and (3.83) staff core reduction from the Fiscal Year 2009 appropriation level.

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF STATE PARKS

The Division of State Parks manages the many recreational, cultural, and historical resources of the Missouri state parks system. The division also administers programs to promote outdoor recreation statewide.

Missouri's state parks system consists of 84 state parks and historic sites, as well as the Roger Pryor Pioneer Backcountry. The system is divided into three field district offices, with each of the district headquarters reporting to the Central Office in Jefferson City. Administrative, maintenance, and service personnel manage the lands and improvements, provide recreational and educational programs for visitors, and provide necessary law enforcement. Funding provided by the one-tenth of one percent Parks and Soils Sales Tax has been used for projects such as campground remodeling; the addition of shower houses and restrooms; paving of roads within campgrounds; restoration of landscapes; and additional personnel for maintenance, education, and site interpretation. The Parks and Soils Sales Tax provides continued restoration and improvement of the state parks system and allows division staff to better serve the millions of people who visit parks and historic sites each year.

Central Office administration directs and coordinates the management of the state parks system. Responsibilities include personnel management, budget and policy development, and the evaluation of management procedures and performance. Central Office staff provide logistical support to the individual state parks, and operate the central sign shop, central warehouse, and aerial device unit. Staff also identify unique natural areas which may require protection; conduct special studies related to parks operations and development; and prepare site, architectural, and engineering plans and maps.

The division assists the State Inter-Agency Council for Outdoor Recreation in the administration of grants that finance outdoor recreation projects.

Fiscal Year 2010 Governor's Recommendations

- \$147,430 State Park Earnings Fund to increase hourly pay for seasonal parks workers affected by the minimum wage increase.
- \$697,736 federal and other funds for pay plan.
- \$49,106 State Park Earnings Fund and one staff reallocated from other divisions.
- (\$291,820) other funds core reduction for one-time expenditures.
- (\$1,613) Parks Sales Tax Fund transferred to the Office of Administration for the statewide consolidation of information technology services.

HISTORIC PRESERVATION

The State Historic Preservation Office helps identify and preserve historic properties and cultural resources throughout the state, administers grants and loans to support preservation efforts, and provides technical assistance to taxpayers in qualifying for historic preservation tax credits.

Fiscal Year 2010 Governor's Recommendations

- \$21,227 federal and other funds for pay plan.
- \$37,296 federal and other funds and one staff reallocated from other divisions.
- (\$250,000) core reduction from the Fiscal Year 2009 appropriation level.

AGENCY-WIDE IMPLEMENTATION

A number of issues are multi-faceted and require resources and expertise from several divisions within the Department of Natural Resources. To deal effectively with these issues, the department consolidated these operations agency wide.

Fiscal Year 2010 Governor's Recommendations

- \$33,528 Petroleum Storage Tank Insurance Fund for pay plan.
- \$218,500 other funds reallocated from various divisions in the department.
- (\$1,052,129) core reduction from the Fiscal Year 2009 appropriation level, including (\$30,129) general revenue.
- (\$415,638) federal funds and (one) staff reallocated to other various divisions in the department.
- (\$82,964) transferred to the Department of Higher Education, including (\$32,964) general revenue.

DEPARTMENT OF NATURAL RESOURCES

ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

The Environmental Improvement and Energy Resources Authority, under Chapter 260, RSMo, is an independent, self-supporting, quasi-governmental agency assigned to the Missouri Department of Natural Resources.

Due to the special independent status as “a body corporate and politic,” the authority is able to issue tax-exempt bonds and utilize fees charged for issuance of its bonds and notes. The authority is empowered to conduct environmental and energy research and development activities; develop alternative methods of financing environmental and energy projects; and assist Missouri communities, organizations, and businesses in obtaining low-cost funds and other financial assistance for projects related to the authority purpose.

Fiscal Year 2010 Governor’s Recommendations

Continue funding at the current level.

DEPARTMENT OF CONSERVATION

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Personal Service	\$ 76,986,438	\$ 86,516,702	\$ 86,516,702	\$ 86,715,348
Expense and Equipment	52,075,762	49,434,276	49,434,276	49,235,630
Program Specific Distribution	9,990,609	9,583,863	9,583,863	9,583,864
TOTAL	\$ 139,052,809	\$ 145,534,841	\$ 145,534,841	\$ 145,534,842
Conservation Commission Fund	139,052,809	145,534,841	145,534,841	145,534,841
Federal Funds	0	0	0	1
Full-time equivalent employees	1,811.22	1,871.61	1,871.61	1,843.81

DEPARTMENT SUMMARY

The Fiscal Year 2010 budget provides a total of \$145.5 million for the Department of Conservation to support its mission to protect and manage the fish and wildlife resources of Missouri. In 1976, Missouri voters endorsed a measure authorizing a one-eighth of one-cent sales tax to provide for conservation services. This dedicated funding source has helped foster abundant fish, wildlife, forestry, and water resources for generations of Missourians. The department will continue to serve the public responsibly, to facilitate the public's participation in resource management activities, and to provide an opportunity for all citizens to use, enjoy, and learn about Missouri's natural treasures.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$2,286,503 Conservation Commission Fund for pay plan.
- (\$2,286,503) Conservation Commission Fund and (27.8) staff core reduction from the Fiscal Year 2009 appropriation level.

DEPARTMENT OF ECONOMIC DEVELOPMENT

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Business and Community Services	\$ 71,085,184	\$ 119,035,575	\$ 154,836,549	\$ 116,875,537
Workforce Development	119,895,434	145,622,371	143,992,426	145,753,305
Division of Tourism	20,759,810	23,674,810	27,674,810	23,674,810
Film Commission	0	250,000	247,000	212,874
Affordable Housing	5,170,316	4,944,428	5,136,428	5,146,670
Utility Regulation	14,476,672	18,857,918	18,896,811	16,681,138
Administrative Services	1,827,751	3,416,123	3,416,123	3,422,266
DEPARTMENTAL TOTAL	\$ 233,215,167	\$ 315,801,225 *	\$ 354,200,147	\$ 311,766,600
General Revenue Fund	57,922,016	72,555,297	94,771,528	81,193,190
Federal Funds	136,268,982	167,647,376	164,549,734	164,755,746
Other Funds	39,024,169	75,598,552	94,878,885	65,817,664
Full-time equivalent employees	869.70	977.87	981.87	976.37

* Does not include \$145,480 in the Fiscal Year 2009 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Economic Development supplemental appropriations.

DEPARTMENT SUMMARY

Missouri's economy faltered in Fiscal Year 2009, when the national and international equity and credit markets suffered unparalleled reverses. Driven by the loss of more than 10,000 automotive and related jobs in 2008, Missouri's unemployment rate leapt to 6.7 percent in November 2008. This is the highest level in 17 years, and most experts predict a further loss of jobs in Missouri in 2009. The key to Missouri's recovery from the current economic recession is the creation of a skilled, motivated and productive workforce to help attract quality jobs at family-sustaining salaries and wages. This is the top priority for the Department of Economic Development.

The Fiscal Year 2010 budget provides a total of \$311.8 million for the Department of Economic Development, to provide job training and related services to Missourians, and to develop new or expanded business opportunities to facilitate economic growth. Core functions provided by the Department of Economic Development include:

- Designing and administering job training and re-training programs to provide prospective employers with a qualified and productive workforce, and to provide unemployed or displaced workers with needed skills and opportunities.
- Facilitating location options, expansion, retention, or start-up of businesses to help create and retain high-quality employment opportunities for Missourians.
- Administering tax credit programs designed to assist with business recruitment, workforce training, and other economic growth opportunities.
- Oversight and regulation of public utility companies to ensure Missourians receive reliable and safe services at reasonable rates.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
BUSINESS AND COMMUNITY SERVICES**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Missouri Economic Research and Information Center	\$ 1,588,732	\$ 2,191,723	\$ 2,213,416
Marketing	3,516,027	4,230,654	4,979,489
Sales	1,674,941	1,516,144	1,571,279
Finance	938,476	1,166,556	1,222,794
Compliance	673,062	827,740	827,942
Small Business Development Centers	485,000	500,000	250,000
Community Development Block Grant Program	24,058,325	28,000,000	28,000,000
Missouri Technology Investment	4,200,099	4,430,001	4,302,693
Jobs Retention Training Program	5,546,167	10,000,000	10,000,000
Missouri Community College New Jobs Training	4,762,743	16,000,000	16,000,000
Community Redevelopment and Assistance	6,403,568	13,239,871	18,425,928
Arts and Cultural Development	11,328,269	15,932,886	15,681,996
Life Sciences Research	5,909,775	21,000,000	13,400,000
TOTAL	\$ 71,085,184	\$ 119,035,575	\$ 116,875,537
General Revenue Fund	22,993,013	33,944,207	38,620,008
Federal Funds	28,995,521	34,805,609	34,932,471
Other Funds	19,096,650	50,285,759	43,323,058

BUSINESS AND COMMUNITY SERVICES

The Business and Community Services Division consists of the Marketing, Sales, Finance, and Compliance Teams. The division promotes Missouri as a great place to do business and helps create an environment that will stimulate family supporting jobs and new private investment. Other services include various programs aimed at investing in Missouri's communities to allow for future sustainable growth and to increase opportunities for new local and state revenues.

MISSOURI ECONOMIC RESEARCH AND INFORMATION CENTER (MERIC)

MERIC is the research division for the Missouri Department of Economic Development. This section provides innovative analyses and assistance to policymakers and the public, including studies of the state's targeted industries and economic development initiatives. Other MERIC research includes Economic Condition Reports, Economic Impact Assessments, and Labor Market Information produced in cooperation with the U.S. Department of Labor.

Fiscal Year 2010 Governor's Recommendations

- \$54,309 for pay plan, including \$4,817 general revenue.
- (\$32,616) and (one) staff core reduction from the Fiscal Year 2009 appropriation level.

MARKETING

The Marketing Team produces print and media materials to market the state. The team markets Missouri at the national and international level to increase lead opportunities and generally supports the Sales and Finance Teams.

Fiscal Year 2010 Governor's Recommendations

- \$500,000 for the Downtown Revitalization and Economic Assistance for Missouri (DREAM) Program.
- \$264,764 Economic Development Advancement Fund for additional marketing activities.
- \$74,957 Economic Development Advancement Fund and two staff to replace core reductions in other funding.
- \$15,260 for pay plan, including \$8,501 general revenue.
- (\$74,957) and (two) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$31,189) and (1.30) staff reallocated to the Finance Team, including (\$20,000) general revenue.

DEPARTMENT OF ECONOMIC DEVELOPMENT

BUSINESS AND COMMUNITY SERVICES (Continued)

SALES

The Sales Team provides individualized customer service, through regional and industry specialization, to businesses considering locating or expanding within the state. Sales Team staff work to develop export promotion opportunities for Missouri businesses to take their products and services to key world markets.

Fiscal Year 2010 Governor's Recommendations

- \$141,628 Economic Development Advancement Fund and three staff to replace core reductions in other funding.
- \$35,946 for pay plan, including \$23,303 general revenue.
- \$19,189 federal and other funds and 1.3 staff transferred from the Marketing and Finance Teams.
- (\$141,628) and (three) staff core reduction from the Fiscal Year 2009 appropriation level.

FINANCE

The Finance Team administers the tax incentive programs offered by the department.

Fiscal Year 2010 Governor's Recommendations

- \$109,421 Economic Development Advancement Fund and three staff to replace core reductions in other funding.
- \$28,238 for pay plan, including \$16,745 general revenue.
- \$36,000 reallocated from the Marketing and Compliance Teams.
- (\$109,421) and (three) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$8,000) Economic Development Advancement Fund reallocated to the Sales Team.

COMPLIANCE

The Compliance Team assures accountability for each program by assessing the operations. The team conducts file reviews, on-site monitoring, eligibility determinations, and assures necessary claw-backs are pursued. The Compliance Team works proactively with the Finance Team to assure compliance standards are met for all programs.

Fiscal Year 2010 Governor's Recommendations

- \$25,539 Economic Development Advancement Fund and one staff to replace core reduction in other funding.
- \$16,202 for pay plan, including \$3,492 general revenue.
- (\$25,539) and (one) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$16,000) reallocated to the Finance Team.

SMALL BUSINESS DEVELOPMENT CENTERS

Missouri Small Business Development Centers (SBDCs) assist small businesses through counseling, training programs, research, and other resources. Thirteen offices throughout the state assist business owners through individualized counseling, marketing strategies, small business management, financial analysis, and access to technology.

Fiscal Year 2010 Governor's Recommendations

- (\$250,000) core reduction from the Fiscal Year 2009 appropriation level.

DEPARTMENT OF ECONOMIC DEVELOPMENT

BUSINESS AND COMMUNITY SERVICES (Continued)

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Community Development Block Grant Program provides grants to non-entitlement cities and counties for community development activities that: (1) benefit at least 51 percent low and moderate income persons, (2) eliminate slum and blight, or (3) meet urgent threats to health and safety. Typical projects include infrastructure expansion, downtown revitalization, housing rehabilitation, housing financing, Americans with Disabilities Act accessibility improvements, and community facility projects.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

MISSOURI TECHNOLOGY INVESTMENT

The Missouri Technology Investment Fund supports business modernization, technology application, technology commercialization, and technology development. The following programs are supported by the Missouri Technology Investment Fund.

Missouri Manufacturing Extension Partnership – The partnership provides business and technical assistance to the state's small and medium size manufacturers. The assistance enables the manufacturers to become and remain competitive by retaining existing jobs and creating new jobs. The Missouri Manufacturing Extension Partnership is a public-private partnership including the U.S. Department of Commerce's National Institute of Standards and Technology and the University of Missouri System.

Innovation Centers – Innovation centers offer a wide range of management and technical assistance to technology-based businesses. Clients become a part of a network of state, federal, university, and private resources designed to develop and support high-growth businesses. Currently, centers are located in St. Louis, Rolla, Columbia, Cape Girardeau, and Joplin.

Missouri Technology Corporation – The corporation promotes the modernization of business through the transfer of science, technology, and quality improvement methods to the workplace and enhances the productivity and competitiveness of Missouri's businesses by providing leadership and establishing methods of technology application, commercialization, and development.

Fiscal Year 2010 Governor's Recommendations

- (\$127,308) and (one) staff core reduction from the Fiscal Year 2009 appropriation level.

JOBS RETENTION TRAINING PROGRAM

Created by Sections 178.760-178.764, RSMo, the Jobs Retention Training Program provides an incentive for the retention of existing jobs by providing education and training to workers for expanding industries by community college districts.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

MISSOURI COMMUNITY COLLEGE NEW JOBS TRAINING

Created by Sections 178.892-178.896, RSMo, the Missouri Community College New Jobs Training Program provides an incentive for the creation of new jobs by providing education and training of workers for new or expanding industries by community college districts.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ECONOMIC DEVELOPMENT

BUSINESS AND COMMUNITY SERVICES (Continued)

COMMUNITY REDEVELOPMENT AND ASSISTANCE

Community Redevelopment and Assistance consists of the Missouri Community Service Commission, Missouri Small Business Regulatory Fairness Board, Missouri Military Preparedness and Enhancement Commission, Missouri Development Finance Board, and Missouri Main Street Program. These programs promote volunteerism and community services, monitor the impact of state regulations on small business, design and implement measures to retain and protect military posts or bases in Missouri, and administer a range of financing programs through revenue bonds, notes, and tax credits.

Fiscal Year 2010 Governor's Recommendations

- \$5,190,735 for current tax increment financing projects.
- \$6,691 for pay plan, including \$1,046 general revenue.
- (\$11,369) core reduction from the Fiscal Year 2009 appropriation level.

ARTS AND CULTURAL DEVELOPMENT

Missouri Arts Council - The Missouri Arts Council provides financial assistance to non-profit organizations through grants that encourage growth, development, and appreciation of the arts in Missouri. Program assistance is provided in specific arts discipline areas including dance, electronic media arts, festivals, literature, music, theatre, visual arts, arts services, community arts, folk arts, minority arts, touring, mini-grants, and arts education. Program assistance awards provide seed money on a matching basis to not-for-profit applicants throughout Missouri.

Missouri Humanities Council - The Missouri Humanities Council is the state affiliate of the National Endowment for the Humanities. The Missouri Humanities Council's mission is to help citizens of Missouri learn about the history, literature, and the ideas that shape democracy. Programs help communities understand and celebrate a shared history and assist local institutions in developing the capacity to engage the public in lifelong learning activities. The Missouri Humanities Council also provides on-site consulting and workshops to help local museums and cultural institutions organize ideas.

Public Television and Public Radio - Funds are distributed to Missouri public television and radio stations for operating assistance pursuant to Section 143.183, RSMo.

Fiscal Year 2010 Governor's Recommendations

- \$40,315 federal funds for the Missouri Arts Council for increased programs.
- \$8,795 federal funds for pay plan.
- (\$300,000) core reduction from the Fiscal Year 2009 appropriation level.

LIFE SCIENCES RESEARCH

The mission of the Life Sciences Research Board is to enhance the capacity of the state's ability to perform research to better serve the health and welfare of Missouri residents as a center of life sciences research and development by building on the success of research institutions located in Missouri, attracting new research and development institutions, commercializing the life sciences technologies developed by such institutions, and enhancing their capacity to carry out their respective missions.

Fiscal Year 2010 Governor's Recommendations

- (\$7,600,000) Life Sciences Research Trust Fund core reduction from the Fiscal Year 2009 appropriation level.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
WORKFORCE DEVELOPMENT**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Workforce Development Administration	\$ 18,787,537	\$ 25,005,680	\$ 25,392,756
Workforce Programs	90,071,125	109,245,083	105,203,286
Missouri Job Development Fund Transfer	10,751,421	11,083,939	15,083,939
Women's Council	69,351	71,669	73,324
Special Employment Security Fund	216,000	216,000	0
TOTAL	\$ 119,895,434	\$ 145,622,371	\$ 145,753,305
General Revenue Fund	12,866,567	13,262,851	17,262,851
Federal Funds	106,213,375	131,207,092	128,175,454
Other Funds	815,492	1,152,428	315,000

WORKFORCE DEVELOPMENT

The Division of Workforce Development provides a well-balanced employment and training system, giving Missourians the opportunity to achieve their full career and employment potential through high-quality programs. Missouri employers also benefit from a more competitive and better-trained workforce. The Job Service (Wagner-Peyser) Program offers a network of services delivered in a customer-focused environment to help people find and retain employment. Services include provision of labor market information, career counseling, testing, and job readiness training. Services also include assisting employers in meeting their employment needs by referring qualified workers for job openings and providing information to help plan for future workforce needs. The Job Service Program is federally funded and administered by the Division of Workforce Development. These funds will benefit those Missourians who are changing careers, looking for their first job, unemployed, economically disadvantaged, school dropouts, and dislocated workers.

WORKFORCE DEVELOPMENT ADMINISTRATION

Workforce Investment Act funds, along with federal Job Service Program funds, are administered by the Division of Workforce Development. These funds are intended to benefit all Missourians by providing services to dislocated workers, those who did not complete their high school educations, and others who are economically disadvantaged.

Fiscal Year 2010 Governor's Recommendations

- \$641,921 federal funds for pay plan.
- (\$216,245) Child Support Enforcement Fund transferred to the Department of Social Services for the Parents Fair Share Program.
- (\$35,000) Guard at Home Fund core reduction from the Fiscal Year 2009 appropriation level.
- (\$3,600) federal funds transferred to the Office of Administration for parking expenses.

WORKFORCE PROGRAMS

The mission of the federal Workforce Investment Act Program is to serve Missourians by providing training and employment opportunities; establishing a flexible, coordinated, and decentralized training system; and coordinating these programs with other employment and training-related programs. The employment and training programs offered on a statewide basis include: Workforce Investment Act programs, the Trade Adjustment Assistance Program, North American Free Trade Agreement programs, Rapid Response Worker programs and the Missouri Employment and Training Program. Individuals who meet eligibility requirements for the programs may access services to make them more competitive in the workforce. Historically, the Division of Workforce Development, along with local workforce investment areas, have provided a full range of services authorized under the Workforce Investment Act which are designed to prepare individuals with barriers to employment for the workforce. Services include referral to job openings, job readiness skills training, referral to classroom or employer training, as well as payment of support services such as transportation. The Missouri Training and Employment Council provides direction to the Division of Workforce Development on policies and procedures to ensure that local workforce investment area programs comply with Workforce Investment Act financial and program requirements.

Fiscal Year 2010 Governor's Recommendations

- (\$2,341,797) federal and other funds transferred to the Department of Social Services for the Parents Fair Share Program.
- (\$1,700,000) federal funds transferred to the Department of Social Services for a pilot project in St. Louis County to increase work participation rates of Temporary Assistance recipients.

DEPARTMENT OF ECONOMIC DEVELOPMENT

WORKFORCE DEVELOPMENT (Continued)

MISSOURI JOB DEVELOPMENT FUND

The Missouri Job Development Fund helps new and expanding businesses train Missouri's workforce.

Fiscal Year 2010 Governor's Recommendations

- \$4,000,000 to provide additional resources for the customized job training program.

WOMEN'S COUNCIL

Through its meetings, staff support, and other activities, the Missouri Women's Council addresses the issues of expanding women's opportunities through education and training programs. The council works to increase occupational mobility in lower- and middle-employment levels, provides access to jobs with higher skill and managerial duties, promotes small business opportunities, and provides access to non-traditional skills through apprenticeships and vocational training. The council also prepares an annual state needs assessment to identify problem geographic areas; establishes long- and short-term goal statements; inventories current federal, state, local, and private programs relating to women's economic needs; and prepares plans to address those problem areas.

Fiscal Year 2010 Governor's Recommendations

- \$1,655 federal funds for pay plan.

SPECIAL EMPLOYMENT SECURITY FUND

The Special Employment Security Fund is derived from interest and penalties collected under the provisions of the Missouri Employment Security Law. Expenditures from this fund are made in accordance with Section 288.310, RSMo, the Employment Security Law.

Fiscal Year 2010 Governor's Recommendations

- (\$216,000) Special Employment Security Fund core reduction from the Fiscal Year 2009 appropriation level. This funding will move to the capital improvements bill.

DIVISION OF TOURISM

The Division of Tourism promotes Missouri's tourist destinations and attractions with multi-media campaigns and direct marketing, a web site, vacation guides, public relations efforts, and a cooperative marketing program. The Division of Tourism currently operates seven tourism welcome centers located at key entry points near the state's borders. Since Fiscal Year 1995, the division has been funded with a portion of the growth in tax revenues on tourism-oriented goods and services.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

FILM COMMISSION

The Missouri Film Commission was created in 1983 to attract film television cable and video productions to Missouri and to promote the growth of the film and video production industry within Missouri.

Fiscal Year 2010 Governor's Recommendations

- \$2,924 for pay plan.
- (\$37,050) core reduction from the Fiscal Year 2009 appropriation level.
- (\$3,000) transferred to the Office of Administration for information technology services.

DEPARTMENT OF ECONOMIC DEVELOPMENT

AFFORDABLE HOUSING

Missouri Housing Development Commission – The Missouri Housing Development Commission encourages construction of affordable rental housing through a variety of funding sources, including its own fund balances, the state's allocation of federal funds, its authority to issue tax-exempt and taxable bonds, and state and federal housing tax credits. The MHDC offers programs for qualified first-time homebuyers, as well as funds for home repairs to aid in the prevention of homelessness.

Manufactured Housing Program – Staff of the Manufactured Housing Program are responsible for overseeing the annual registration of dealers and manufacturers of manufactured homes and modular units, prescribing and enforcing uniform construction and safety standards by conducting code inspections, addressing consumer complaints, and enforcing set-up and tie-down requirements.

Fiscal Year 2010 Governor's Recommendations

- \$192,000 Manufactured Housing Consumer Recovery Fund to implement SB 788 (2008) and provide a payer of last resort option for consumer claims.
- \$10,242 Manufactured Housing Fund for pay plan.
- 0.5 staff for the Manufactured Housing Program to provide additional support to consumers.

UTILITY REGULATION

Office of Public Counsel – The Office of Public Counsel is the state's consumer advocate involved in matters of utility ratemaking and regulation. Attorneys and technical staff analyze utility rate cases and provide testimony and cross-examination in hearings held before the Public Service Commission (PSC). The Public Counsel also has the right to appeal PSC cases through the court system.

Public Service Commission – The PSC regulates the rates, finances, safety, and quality of service of private, investor-owned telephone, gas, electric, water, and sewer utilities, and the safety of rural electric cooperatives and municipal gas systems. The commission is divided into six sections: executive, adjudication, administration, general counsel, utility operations, and utility services. Additionally, the PSC oversees the administration of the Relay Missouri service in the state. Relay Missouri provides deaf, hard-of-hearing, and speech-impaired citizens access to the telephone network and is funded through a monthly, per-line surcharge.

Fiscal Year 2010 Governor's Recommendations

- \$55,000 Public Service Commission Fund and one staff to develop and implement renewable energy mandates.
- \$330,000 for pay plan, including \$18,250 general revenue.
- (\$2,500,000) Deaf Relay Service and Equipment Distribution Program Fund core reduction from the Fiscal Year 2009 appropriation level.
- (\$61,780) Public Service Commission Fund core reduction for one-time expenditures.

ADMINISTRATIVE SERVICES

The Administrative Services Division provides direction and guidance to the department. Through policy development, legislative coordination, communications (public information) and research, the efforts of the divisions are aligned toward achieving improved performance for its customers. The division provides centralized support services, including establishment and maintenance of financial systems, personnel functions, and budget and planning. Administrative Services also provides legal assistance, facilities management, and telecommunications services for divisions within the department.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$65,258 for pay plan, including \$13,720 general revenue.
- (\$59,116) and (one) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$32,752) general revenue.

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Insurance				
Administration and Insurance Operations	\$ 6,317,201	\$ 8,401,240	\$ 9,291,441	\$ 9,330,613
Market Conduct and Financial Examinations	4,116,730	5,282,098	4,430,866	4,322,409
Health Insurance Counseling	892,650	900,000	900,000	900,000
Financial Institutions				
Credit Unions	978,584	1,268,496	1,268,496	1,283,628
Finance	5,660,351	6,599,834	7,302,886	7,373,886
Professional Registration	11,933,979	14,420,167	14,470,593	14,230,786
DEPARTMENTAL TOTAL	\$ 29,899,495	\$ 36,871,835 *	\$ 37,664,282	\$ 37,441,322
Federal Funds	692,650	700,000	700,000	700,001
Other Funds	29,206,845	36,171,835	36,964,282	36,741,321
Full-time equivalent employees	504.65	534.15	548.15	545.15

* Does not include \$65,128 recommended in the Fiscal Year 2009 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Insurance, Financial Institutions and Professional Registration supplemental appropriations.

DEPARTMENT SUMMARY

The Fiscal Year 2010 budget provides a total of \$37.4 million for the Department of Insurance, Financial Institutions and Professional Registration. The department protects consumers through oversight of the insurance industry, financial institutions, and licensed professionals. Despite the difficult economic times, the Fiscal Year 2010 budget not only continues the prior year funding level, it provides additional critical resources for consumer protection functions such as regulation and oversight of mortgage brokers, banks, and payday loan companies.

INSURANCE

Administration – Certain administrative functions such as policy development, legislative coordination, communications (public information), research and accounting are centralized to provide more efficient services. Staff provides these functions centrally with the costs allocated based on usage to the appropriate divisions within the department.

Insurance Operations – Insurance staff are responsible for overseeing the insurance industry's compliance with Missouri insurance laws and regulations, and protecting the interests of Missouri insurance-buying consumers. Specific duties include licensing insurance producers (agents, brokers, and agencies), investigating consumer complaints, collecting over \$168 million in premium taxes paid by insurance companies, and providing information to around 30,000 consumers each year through a statewide toll-free hotline and the department's website.

Market Conduct and Financial Examinations – The department conducts both financial and market conduct examinations. Financial examinations ensure insurance companies have sufficient reserves to pay consumer claims. Market conduct examinations of insurance companies serve to verify that policyholders and beneficiaries receive the full benefits from the contracts by which they and the insurer have agreed.

Health Insurance Counseling – The department contracts with Primaris to administer the CLAIM (Community Leaders Assisting the Insured of Missouri) program. CLAIM provides counseling and educational activities to seniors on health insurance coverage and Medicare benefits. The program recruits sponsors and volunteers, develops and conducts volunteer training, publicizes the program, and maintains a toll-free number, 1-800-390-3330, and website, www.missouricclaim.org. Volunteers are recruited locally and community organizations such as hospitals, community centers, extension offices, or senior centers serve as cosponsors and provide space, supplies, and local publicity for the program.

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

INSURANCE (Continued)

Fiscal Year 2010 Governor's Recommendations

- \$38,969 Insurance Dedicated Fund to implement SB 930 (2008) to regulate vehicle protection products in the state.
- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$315,085 other funds for pay plan.
- (\$384,371) other funds core reduction from the Fiscal Year 2009 appropriation level.

FINANCIAL INSTITUTIONS

Credit Unions – The Division of Credit Unions is responsible for the examination, supervision, chartering, merger, and liquidation of Missouri's 140 state-chartered credit unions. The division also responds to consumer complaints against credit union services or operations. Missouri credit unions have approximately 1.2 million members and assets exceeding \$9.3 billion. Missouri ranks seventh in the nation in the number of state-chartered credit unions.

Finance – The Division of Finance is responsible for the incorporation and regulation of Missouri's 290 state-chartered banks, non-deposit trust companies, and savings and loan associations. The division also licenses and regulates consumer credit companies, credit services organizations, money order companies, and residential mortgage brokers. Primary objectives include ensuring the safety and soundness of these institutions and the monitoring of compliance with laws and regulations, thereby safeguarding the funds of depositors and maintaining public confidence in Missouri's financial system. Missouri ranks sixth in the nation in the number of state-chartered banks.

Fiscal Year 2010 Governor's Recommendations

- \$360,744 Division of Finance Fund and five staff to implement the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE).
- \$232,232 Division of Finance Fund and four staff for additional bank examinations.
- \$118,916 Division of Finance Fund and two staff to provide additional oversight of consumer credit companies.
- \$204,782 other funds for pay plan.
- (\$118,650) other funds core reduction from the Fiscal Year 2009 appropriation level.
- (\$8,840) Division of Finance Fund core reduction for one-time expenditures.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
PROFESSIONAL REGISTRATION**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Administration	\$ 3,856,600	\$ 4,259,802	\$ 4,371,981
State Board of Accountancy	423,183	459,600	467,969
State Board of Architects, Professional Engineers, and Land Surveyors	522,189	770,443	718,719
State Board of Chiropractic Examiners	116,376	149,567	149,567
Missouri Dental Board	453,899	635,009	646,174
State Board of Embalmers and Funeral Directors	93,108	145,393	145,393
State Board of Registration for the Healing Arts	2,361,568	2,569,569	2,558,982
State Board of Nursing	1,427,430	1,963,213	1,819,306
State Board of Optometry	41,688	42,043	42,043
State Board of Pharmacy	1,316,669	1,763,016	1,646,217
State Board of Podiatric Medicine	12,049	20,669	20,669
Missouri Real Estate Commission	924,262	1,239,991	1,241,914
Missouri Veterinary Medical Board	93,453	109,579	109,579
State Board of Cosmetology and Barbers	291,505	292,273	292,273
TOTAL	\$ 11,933,979	\$ 14,420,167	\$ 14,230,786
Board Funds	8,077,379	10,160,365	9,858,805
Professional Registration Fees Fund	3,856,600	4,259,802	4,371,981

PROFESSIONAL REGISTRATION

The Division of Professional Registration is responsible for supporting 39 professional licensing boards and commissions in licensing and regulating the activities of over 400,000 Missourians representing 240 different trades and professions. The division serves and protects the public by providing an accessible, responsible, and accountable regulatory system to ensure that Missouri consumers benefit from competent practitioners. Each licensing entity licenses qualified professionals by ensuring that minimum requirements have been met. In addition, each entity must also appropriately enforce standards through the inspection of facilities and the investigation of complaints.

Fiscal Year 2010 Governor's Recommendations

ADMINISTRATION

- \$31,443 Professional Registration Fees Fund and one staff for the State Board of Embalmers and Funeral Directors to handle increased workload.
- \$93,196 Professional Registration Fees Fund for pay plan.
- (\$12,460) Professional Registration Fees Fund core reduction for one-time expenditures.

STATE BOARD OF ACCOUNTANCY

- \$8,369 Board of Accountancy Fund for pay plan.

STATE BOARD OF ARCHITECTS, PROFESSIONAL ENGINEERS, AND LAND SURVEYORS

- \$11,276 State Board of Architects, Engineers, Land Surveyors and Landscape Architects Fund for pay plan.
- (\$63,000) State Board of Architects, Engineers, Land Surveyors and Landscape Architects Fund core reduction from the Fiscal Year 2009 appropriation level.

STATE BOARD OF CHIROPRACTIC EXAMINERS

Continue funding at the current level.

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

PROFESSIONAL REGISTRATION (CONTINUED)

MISSOURI DENTAL BOARD

- \$11,165 Dental Board Fund for pay plan.

STATE BOARD OF EMBALMERS AND FUNERAL DIRECTORS

Continue funding at the current level.

STATE BOARD OF REGISTRATION FOR THE HEALING ARTS

- \$52,413 Board of Registration for Healing Arts Fund for pay plan.
- (\$63,000) Board of Registration for Healing Arts Fund core reduction from the Fiscal Year 2009 appropriation level.

STATE BOARD OF NURSING

- \$31,072 Board of Nursing Fund for pay plan.
- (\$174,979) Board of Nursing Fund core reduction from the Fiscal Year 2009 appropriation level.

STATE BOARD OF OPTOMETRY

Continue funding at the current level.

STATE BOARD OF PHARMACY

- \$28,201 Board of Pharmacy Fund for pay plan.
- (\$145,000) Board of Pharmacy Fund core reduction from the Fiscal Year 2009 appropriation level.

STATE BOARD OF PODIATRIC MEDICINE

Continue funding at the current level.

MISSOURI REAL ESTATE COMMISSION

- \$26,923 Missouri Real Estate Commission Fund for pay plan.
- (\$25,000) Missouri Real Estate Commission Fund core reduction from the Fiscal Year 2009 appropriation level.
- (One) staff reallocated to the State Board of Embalmers and Funeral Directors.

MISSOURI VETERINARY MEDICAL BOARD

Continue funding at the current level.

STATE BOARD OF COSMETOLOGY AND BARBERS

Continue funding at the current level.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Department Administration	\$ 9,670,229	\$ 11,570,666	\$ 12,442,172	\$ 11,746,131
Labor and Industrial Relations Commission	863,070	987,581	988,235	1,013,868
Division of Labor Standards	2,198,500	3,184,222	3,135,548	3,043,685
Division of Workers' Compensation	84,574,912	71,543,276	89,885,059	89,768,532
Division of Employment Security	36,768,992	38,100,814	37,853,119	38,548,890
State Board of Mediation	7,225	119,275	124,243	124,787
Commission on Human Rights	1,476,505	1,768,964	1,809,807	1,743,313
DEPARTMENTAL TOTAL	\$ 135,559,433	\$ 127,274,798 *	\$ 146,238,183	\$ 145,989,206
General Revenue Fund	2,481,196	2,646,233	2,629,834	2,323,402
Federal Funds	44,112,195	47,444,717	47,784,749	48,072,806
Tort Victims Compensation Fund	501	105,000	105,000	105,000
Workers' Compensation Fund	10,479,220	12,100,611	12,493,732	12,251,993
Second Injury Fund	68,123,231	61,796,719	80,250,000	80,250,000
Crime Victims' Compensation Fund	4,918,776	0	0	0
War on Terror Unemployment Compensation Fund	0	350,000	100,000	90,000
Child Labor Enforcement Fund	87,741	185,000	185,000	185,000
Special Employment Security Bond Proceeds Fund	0	1	1	1
Special Employment Security Fund	5,356,573	2,646,517	2,489,867	2,505,004
Unemployment Automation Fund	0	0	200,000	206,000
Full-time equivalent employees	787.30	865.96	852.86	831.86

* Does not include \$14,453,281 recommended in the Fiscal Year 2009 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Labor and Industrial Relations supplemental appropriations.

DEPARTMENT SUMMARY

The Fiscal Year 2010 budget provides a total of \$145.9 million for the Department of Labor and Industrial Relations. The department provides services that promote economic security and safe and healthy workplaces, and protects wage earners and individuals against discrimination.

This budget provides adequate funding to ensure that the department will be able to protect workers' rights, as well as their health and safety and for those who lose their jobs in these difficult economic times. The department is committed to distributing unemployment benefits and other assistance in a timely manner.

The core functions provided by the Department of Labor and Industrial Relations include:

- Processing and awarding payment of compensation to those who are unemployed, injured at work, or victims of crime.
- Assuring safe and healthy workplaces for Missouri employees through on-site inspections that identify hazards to be corrected in the workplace.
- Protecting wage earners and individuals against discrimination by improving workplace conditions and enforcing labor and anti-discrimination laws.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DEPARTMENT ADMINISTRATION

The Director's Office provides leadership and supervision in the areas of policy, operation, and interagency coordination/cooperation. Functions centralized within the Director's Office include: administrative services, financial management, human resources, legislative and public relations, research and analysis, and legal services.

Fiscal Year 2010 Governor's Recommendations

- \$1,104,731 federal and other funds increased transfer to the Department of Labor and Industrial Relations Administrative Fund for information technology services provided by the Office of Administration.
- \$283,037 federal funds reallocated for realignment of the cost allocation plan.
- \$216,466 increased transfer to the Department of Labor and Industrial Relations Administrative Fund for pay plan, including \$17,123 general revenue.
- \$1 federal funds on an open ended-basis to maximize the state's access to and use of federal stimulus funds when they become available.
- (\$928,907) and (11.1) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$122,590) general revenue.
- (\$346,527) reallocated to various divisions to pay mailing charges, including (\$1,618) general revenue.
- (\$113,300) other funds and (two) staff transferred to the Office of Administration for information technology projects.
- (\$40,036) reallocated to the Missouri Commission on Human Rights.

LABOR AND INDUSTRIAL RELATIONS COMMISSION

The three-member Labor and Industrial Relations Commission reviews all appeals from all decisions and awards in workers' compensation, unemployment compensation, prevailing wage, victims of crime compensation, and tort victims compensation cases at the highest administrative level. The commission conducts hearings and renders written opinions. The commission's opinions are subject to review by the judiciary. The commission has the responsibility of determining an appropriate bargaining unit of public employees, based on their community of interests and conducts secret ballot elections to determine majority status. The commission is also charged with the statutory authority to approve or disapprove all rules and regulations promulgated by the divisions within the department.

Fiscal Year 2010 Governor's Recommendations

- \$25,633 for pay plan, including \$256 general revenue.
- \$4,968 Workers' Compensation Fund reallocated for realignment of the federal cost allocation plan.
- \$654 reallocated from Administration to pay mailing charges, including \$37 general revenue.
- (\$4,968) reallocated to the State Board of Mediation.

DIVISION OF LABOR STANDARDS

State statutes require the Division of Labor Standards to assure the safety and health of Missouri workers. To reduce deaths and disabling injuries, staff conduct regular and special on-site inspections of businesses, industries, and commercial mines and caves. To ensure compliance with statutory provisions governing wage rates for public works projects, the division surveys prevailing wage rates for laborers, mechanics, and other workers employed in the construction industry. The division conducts on-site inspections to assure compliance with Missouri's Child Labor Law. Also, the division provides safety and health training classes for mine operators and miners. All miners, whether surface or underground, are required by federal law to complete a minimum number of hours in training before beginning work and annually thereafter. The division provides on-site safety and health consultations to businesses and industrial facilities by qualified professional consultants to identify serious hazards and recommend means for eliminating them. Private employers are not charged for this service. The division performs these consultations upon employer requests.

Fiscal Year 2010 Governor's Recommendations

- \$62,258 for pay plan, including \$29,304 general revenue.
- \$1,059 reallocated from Administration to pay mailing charges, including \$774 general revenue.
- (\$198,886) and (five) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$154,121) general revenue.
- (\$4,968) Workers' Compensation Fund reallocated for realignment of the federal cost allocation plan.

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
DIVISION OF WORKERS' COMPENSATION**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Administration	\$ 8,210,825	\$ 9,646,557	\$ 9,418,532
Second Injury Benefits	68,123,231	61,796,719	80,250,000
Crime Victims' Administration	354,029	0	0
Crime Victims' Compensation Benefits	7,886,827	0	0
Tort Victims Compensation Payments	0	100,000	100,000
TOTAL	\$ 84,574,912	\$ 71,543,276	\$ 89,768,532
Federal Funds	3,361,457	0	0
Tort Victims Compensation Fund	501	105,000	105,000
Workers' Compensation Fund	8,210,324	9,641,557	9,413,532
Second Injury Fund	68,123,231	61,796,719	80,250,000
Crime Victims' Compensation Fund	4,879,399	0	0

DIVISION OF WORKERS' COMPENSATION - ADMINISTRATION

The Division of Workers' Compensation processes all reports of job-related injuries and formal claims for compensation filed with the division under the "Missouri Workers' Compensation Law." The division also resolves disputed issues between an employee and employer/insurer through mediation and/or evidentiary hearings conducted by its administrative law judges. The division administers the rehabilitation of seriously injured workers, resolves disputes concerning the reasonableness of medical fees and charges, reviews and approves applications by employers or group trusts for self-insurance authority, and investigates allegations of workers' compensation fraud and noncompliance.

Fiscal Year 2010 Governor's Recommendations

- \$227,369 Workers' Compensation Fund for pay plan.
- \$49,800 Workers' Compensation Fund for salary increases for Administrative Law Judges which correspond to the salaries of Associate Circuit Court Judges.
- \$115,102 Workers' Compensation Fund reallocated from Administration to pay mailing charges.
- (\$393,696) Workers' Compensation Fund and (five) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$226,600) Workers' Compensation Fund and (four) staff transferred to Administration for development of the new Workers' Compensation computer system.

SECOND INJURY FUND

The Second Injury Fund is designed to compensate an injured employee when a current work-related injury combines with any prior injury that creates an increased combined disability. For example, if an injured employee has a 15 percent disability from the current work-related injury and a 15 percent disability from the prior injury, and the combined disability is 40 percent, the fund pays for the increased disability. The fund is also responsible for payment of medical bills for injured employees when the employer fails to insure its workers' compensation liability. In addition, if the employee is killed, burial expenses and death benefits in the form of weekly payments to the surviving spouse or dependents of the employee are paid from the fund. The fund also provides benefits to injured employees undergoing physical rehabilitation. For injuries taking place after August 28, 1998, the fund also provides second job lost wage benefits.

Fiscal Year 2010 Governor's Recommendations

- \$18,453,281 Second Injury Fund on an open-ended basis for payment of claims.

TORT VICTIMS COMPENSATION PAYMENTS

The Tort Victims Compensation Fund provides benefits to individuals who have received a final monetary judgment in a civil case but who have been unable to collect all, or part of, the judgment entered against the defendant. Funding is provided from the Tort Victims Compensation Fund. The fund's exclusive revenue source is 50 percent of all punitive damage awards entered in civil cases in Missouri. Of this amount, 74 percent is used to pay victims.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
DIVISION OF EMPLOYMENT SECURITY**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Administration	\$ 21,103,817	\$ 28,360,946	\$ 29,053,885
Special Employment Security Fund	5,316,436	2,389,867	2,405,004
War on Terror Unemployment Compensation Program	0	350,000	90,000
Employment and Training Payments	10,348,739	7,000,000	7,000,000
Board of Unemployment Fund Financing Bond Proceeds	0	1	1
TOTAL	\$ 36,768,992	\$ 38,100,814	\$ 38,548,890
Federal Funds	31,452,556	35,360,946	35,847,885
War on Terror Unemployment Compensation Program	0	350,000	90,000
Special Employment Security Bond Proceeds Fund	0	1	1
Special Employment Security Fund	5,316,436	2,389,867	2,405,004
Unemployment Automation Fund	0	0	206,000

DIVISION OF EMPLOYMENT SECURITY - ADMINISTRATION

The Division of Employment Security is responsible for determining employer liability, collecting unemployment compensation taxes from Missouri liable employers, paying unemployment benefits to eligible claimants, maintaining wage records of Missouri workers, and investigating cases involving possible fraud and benefit overpayments.

Fiscal Year 2010 Governor's Recommendations

- \$690,634 federal and other funds for pay plan.
- \$228,905 federal funds reallocated from Administration to pay mailing charges.
- (\$226,600) federal funds and (four) staff transferred to Administration for development of the new Employment Security computer system.

SPECIAL EMPLOYMENT SECURITY FUND

The Special Employment Security Fund is derived from interest and penalties collected under the provisions of the Missouri Employment Security Law. Expenditures from this fund are made in accordance with Section 288.310, RSMo, which includes refunds of overcollected interest and penalties and administrative expenses of the division not covered by the federal grant. The fund may also be used to acquire suitable office space for the division. Section 288.128, RSMo, provides for federal interest assessments on Title XII advances to the Unemployment Compensation Trust Fund to be deposited into this fund until payment to the federal government is made.

Fiscal Year 2010 Governor's Recommendations

- \$15,136 Special Employment Security Fund for pay plan.
- \$1 Special Employment Security Fund on an open-ended basis for Federal Interest Payments.

WAR ON TERROR UNEMPLOYMENT COMPENSATION PROGRAM

The War on Terror Unemployment Compensation Program provides enhanced unemployment benefits to veterans of the War on Terror who have been dismissed or demoted as a result of being deployed. Benefits are paid out of the War on Terror Unemployment Compensation Fund, which consists of administrative penalties paid by employers found in violation of the statutory provisions.

Fiscal Year 2010 Governor's Recommendations

- (\$260,000) War on Terror Unemployment Compensation Fund core reduction from the Fiscal Year 2009 appropriation level.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DIVISION OF EMPLOYMENT SECURITY (Continued)

EMPLOYMENT AND TRAINING PAYMENTS

The Division of Employment Security operates employment and training programs authorized and funded by the U.S. Department of Labor as authorized by the North American Free Trade Agreement (NAFTA) and the Trade Adjustment Assistance (TAA) programs. The division contracts with the Division of Workforce Development and others to provide a full range of services. Services include referral to employer job openings, job readiness skills training, referral to classroom or employer training, as well as payment of support services such as transportation, subsistence, and relocation allowances.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

BOARD OF UNEMPLOYMENT FUND FINANCING

The Board of Unemployment Fund Financing has authority to borrow up to \$450 million in credit instruments or financial agreements to fund the Unemployment Compensation Trust Fund in accordance with Sections 288.310, 288.330, and 288.128, RSMo.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

STATE BOARD OF MEDIATION

The State Board of Mediation is a quasi-judicial board created by an act of the General Assembly in 1947 to mediate public utility disputes. Since 1967, the board has been charged with the responsibility of determining appropriated bargaining units of public employees. It also conducts secret ballot elections to determine exclusive bargaining agent status. The board retains the authority to mediate disputes in the area of public utilities regarding wages and working conditions.

Fiscal Year 2010 Governor's Recommendations

- \$3,219 for pay plan.
- \$4,968 reallocated from the Labor and Industrial Relations Commission.
- (\$2,675) core reduction from the Fiscal Year 2009 appropriation level.

MISSOURI COMMISSION ON HUMAN RIGHTS

The statutory mandate of the Missouri Commission on Human Rights (MCHR) is to prevent and eliminate discrimination as prohibited by the Missouri Human Rights Act. The act requires the MCHR to receive, investigate, and resolve complaints of alleged discrimination in the areas of housing, employment, and public accommodations due to race, color, religion, national origin, ancestry, sex, disability, or age (in employment only) and familial status (in housing only). Through its education and outreach program, the MCHR reduces intergroup conflict and discourages illegal discrimination.

Fiscal Year 2010 Governor's Recommendations

- \$45,411 for pay plan, including \$18,558 general revenue.
- \$40,036 reallocated from Administration.
- \$807 reallocated from Administration to pay mailing charges.
- (\$111,905) and (three) staff core reduction from the Fiscal Year 2009 appropriation level.

DEPARTMENT OF PUBLIC SAFETY

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Office of the Director	\$ 31,148,206	\$ 74,631,173	\$ 85,308,542	\$ 72,819,718
Capitol Police	1,591,557	1,671,983	1,723,263	1,545,907
State Highway Patrol	211,363,217	252,865,143	260,593,964	250,507,065
State Water Patrol	8,952,112	10,981,203	13,465,928	10,282,908
Division of Alcohol and Tobacco Control	3,221,507	3,452,091	4,097,265	2,832,900
Division of Fire Safety	3,418,131	4,301,838	4,913,143	4,142,979
Missouri Veterans' Commission	71,143,619	76,289,938	78,545,479	79,670,877
Missouri Gaming Commission	22,492,048	25,290,115	27,000,779	26,300,004
Adjutant General	185,549,571	77,987,503	79,354,237	79,313,496
DEPARTMENTAL TOTAL	\$ 538,879,968	\$ 527,470,987 *	\$ 555,002,600	\$ 527,415,854
General Revenue Fund	75,463,330	88,660,485	113,669,346	88,378,127
Federal Funds	202,664,289	131,485,935	129,889,023	130,661,462
Gaming Commission Fund	23,238,186	26,406,990	28,577,549	27,551,142
Missouri Veterans' Homes Fund	39,359,139	42,229,582	42,231,582	43,268,368
State Highways and Transportation Department Fund	161,119,931	180,327,149	185,172,341	182,793,165
Other Funds	37,035,093	58,360,846	55,462,759	54,763,590
Full-time equivalent employees	5,081.59	5,035.23	5,088.98	4,991.78

* Does not include \$1,544,991 in the Fiscal Year 2009 Supplemental Appropriation. See the Supplemental section of the Missouri Budget for details regarding the Department of Public Safety supplemental appropriations.

DEPARTMENT SUMMARY

The Fiscal Year 2010 budget provides a total of \$527.4 million for the Department of Public Safety. The department provides citizens with round-the-clock service on land, water, and by air. Despite the current economic downturn, the FY 2010 budget contains full funding for the Byrne and MoSMART grants to assist local law enforcement, making up for withdrawal of federal support for these programs, and continues funding the Cyber Crime Grant Program at \$1 million.

The Fiscal Year 2010 budget continues the state's budgetary commitment to the process of developing and implementing interoperability between all emergency responders with funding at \$8.5 million, including \$6.15 million general revenue.

The Fiscal Year 2010 budget also honors the service of Missouri's veterans by fully funding each of Missouri's seven veterans' homes, as well as our veterans' cemeteries including the new cemetery at Fort Leonard Wood. These additional resources are being provided at the same time that administrative salaries and overhead are being reduced by over \$360,000. Finally, this budget fully funds the tuition assistance program for National Guard members returning from deployment, keeping the state's commitment to those who kept their commitment to serve all of us.

The core functions provided by the Department of Public Safety include:

- Enforcing laws on state roads and waterways.
- Combating the manufacturing and sale of illegal drugs, such as methamphetamine.
- Supporting local law enforcement agencies.
- Assisting victims of crime and crime victim advocacy organizations, such as domestic violence shelters.
- Promoting fire safety.
- Deterring underage consumption of alcohol and tobacco.
- Preparing for and responding to disasters.
- Maintaining National Guard units at a high state of readiness so they are prepared to respond when called to active duty.
- Providing assistance and care for veterans.
- Regulating riverboat gaming.

DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE DIRECTOR/CRIMINAL JUSTICE PROGRAMS UNIT

The Director's Office provides the central budgeting, finance, and personnel control to ensure efficient use of available resources. Staff members plan, review, and evaluate programs to coordinate the state's public safety and law enforcement efforts and to promote cooperation among local, state, and federal agencies. In addition, the criminal justice unit oversees the implementation of programs relating to juvenile justice, peace officer standards, forensic laboratories, narcotics control, crime victims assistance and Internet sex crime investigation.

Fiscal Year 2010 Governor's Recommendations

- \$3,982,000 for grants for multi-jurisdictional drug task forces.
- \$1,000,000 for grants to internet sex crimes task forces.
- \$776,772 to replace lost federal funding for the Missouri Sheriff Methamphetamine Relief Task Force.
- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$73,406 for pay plan, including \$29,447 general revenue.
- (\$4,617,281) and (one) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$2,363,431) general revenue.
- (\$3,026,353) core reduction for one-time expenditures.

CAPITOL POLICE

The Capitol Police are responsible for security at the Capitol and other facilities occupied by state agencies throughout Jefferson City.

Fiscal Year 2010 Governor's Recommendations

- \$41,122 for pay plan.
- (\$167,198) and (five) staff core reduction from the Fiscal Year 2009 appropriation level.

**DEPARTMENT OF PUBLIC SAFETY
STATE HIGHWAY PATROL**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Administration	\$ 7,679,865	\$ 7,506,094	\$ 7,526,458
Fringe Benefits	58,930,331	65,239,953	67,239,133
Enforcement	100,526,135	121,726,529	116,806,023
Crime Laboratory	7,682,327	10,394,660	10,132,166
Law Enforcement Academy	2,071,475	2,511,219	2,547,924
Vehicle and Driver Safety	10,565,512	11,890,916	12,098,626
Technical Services	<u>23,907,572</u>	<u>33,595,772</u>	<u>34,156,735</u>
DEPARTMENT TOTAL	\$ 211,363,217	\$ 252,865,143	\$ 250,507,065
General Revenue Fund	19,301,847	22,902,595	21,454,497
Federal Funds	11,879,106	21,166,263	21,237,740
Gaming Commission Fund	828,634	1,263,780	1,400,500
State Highways and Transportation Department Fund	161,119,931	180,327,149	182,793,165
Other Funds	18,233,699	27,205,356	23,621,163

STATE HIGHWAY PATROL

ADMINISTRATION

This section includes the administrative, planning, fiscal, and support activities of the Highway Patrol.

Fiscal Year 2010 Governor's Recommendations

- \$160,499 for pay plan, including \$745 general revenue.
- \$83,974 State Highways and Transportation Department Fund and one staff reallocated from Highway Patrol Crime Lab.
- (\$153,924) State Highways and Transportation Department Fund and (two) staff reallocated to Highway Patrol Enforcement.
- (\$69,185) State Highways and Transportation Department Fund and (one) staff reallocated to the Law Enforcement Academy.
- (\$1,000) core reduction from the Fiscal Year 2009 appropriation level.

FRINGE BENEFITS

Employer retirement contributions, health insurance, and workers' compensation insurance for Highway Patrol employees are paid by the state in a separate appropriation made for those purposes. The amount of the retirement payment is determined by the Board of Trustees of the Highway Employees and Highway Patrol Retirement System.

Fiscal Year 2010 Governor's Recommendations

- \$1,999,180 federal and other funds for fringe benefit increases.

DEPARTMENT OF PUBLIC SAFETY

STATE HIGHWAY PATROL (Continued)

ENFORCEMENT

The primary activity of this section is the patrolling of more than 122,000 miles of public roadways to ensure the safe and orderly flow of traffic. The Enforcement Division also performs undercover investigations, assists local law enforcement agencies, provides access to the Missouri Uniform Law Enforcement System, performs criminal background checks, and maintains a statewide system of commercial motor vehicle weigh stations.

Fiscal Year 2010 Governor's Recommendations

- \$540,500 for aircraft operational costs and maintenance, including \$128,000 general revenue.
- \$425,000 Federal Drug Seizure Fund for replacement of vehicles.
- \$228,257 for ammunition and supplies, including \$76,725 general revenue.
- \$122,834 Federal Drug Seizure Fund and other funds for vehicle maintenance cost increase.
- \$106,500 Highway Patrol Traffic Records Fund to provide additional resources for accident reporting and investigations.
- \$101,000 State Highways and Transportation Department Fund to replace and upgrade first aid kits in all patrol vehicles.
- \$50,000 Federal Drug Seizure Fund for mandatory flight training.
- \$2,353,850 for pay plan, including \$254,906 general revenue.
- \$153,924 State Highways and Transportation Department Fund and two staff reallocated from Highway Patrol Administration.
- \$97,570 Gaming Commission Fund reallocated from the Missouri Gaming Commission for uniform and ammunition allowance.
- \$82,117 State Highways and Transportation Department Fund and one staff reallocated from the Law Enforcement Academy.
- (\$5,778,082) core reduction for one-time expenditures, including (\$60,350) general revenue.
- (\$3,403,976) and (seven) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$1,392,376) general revenue.

CRIME LABORATORY

The Missouri State Highway Patrol Crime Laboratory is a nationally accredited crime lab system that provides state-of-the-art forensic science services to all local, state, and federal law enforcement agencies. Services provided include the forensic specialties of controlled substance, DNA, trace evidence, firearms, toolmarks, toxicology, and latent fingerprint examination.

Fiscal Year 2010 Governor's Recommendations

- \$515,000 State Highways and Transportation Department Fund for crime laboratory equipment.
- \$171,678 for pay plan, including \$52,594 general revenue.
- (\$835,000) core reduction for one-time expenditures, including (\$426,250) general revenue.
- (\$83,974) State Highways and Transportation Department Fund and (one) staff reallocated to Highway Patrol Administration.
- (\$30,198) core reduction from the Fiscal Year 2009 appropriation level.

LAW ENFORCEMENT ACADEMY

The academy provides basic training to police officers in all agencies outside St. Louis and Jackson counties. The academy also provides administrative and specialized training to police officers from all counties.

Fiscal Year 2010 Governor's Recommendations

- \$49,637 for pay plan, including \$141 general revenue.
- \$69,185 State Highways and Transportation Department Fund and one staff reallocated from Highway Patrol Administration.
- (\$82,117) State Highways and Transportation Department Fund and (one) staff reallocated to Highway Patrol Enforcement.

DEPARTMENT OF PUBLIC SAFETY

STATE HIGHWAY PATROL (Continued)

VEHICLE AND DRIVER SAFETY

This section evaluates drivers and vehicles to identify and remove those unfit to be on Missouri roadways. Over 4,900 inspection stations and approximately 23,300 inspector mechanics throughout the state are supervised. The section also maintains over 140 driver examination stations throughout the state.

Fiscal Year 2010 Governor's Recommendations

- \$16,980 State Highways and Transportation Department Fund for replacement of vision testing equipment.
- \$307,207 State Highways and Transportation Department Fund for pay plan.
- (\$63,527) State Highways and Transportation Department Fund core reduction for one-time expenditures.
- (\$52,950) State Highways and Transportation Department Fund transferred to the Office of Administration for leasing costs.

TECHNICAL SERVICES

This section develops and processes comprehensive criminal offender data, traffic record data, and administrative data. The database is used to respond to inquiries and for analysis of the criminal justice and traffic systems to plan for effective law enforcement. This section also operates the statewide Missouri Uniform Law Enforcement System (MULES).

Fiscal Year 2010 Governor's Recommendations

- \$450,000 State Highways and Transportation Department Fund to upgrade the Highway Patrol information technology primary operating system.
- \$144,350 Criminal Record System Fund to develop an automated sex offender notification system in compliance with the federal Adam Walsh Act.
- \$100,000 State Highways and Transportation Department Fund to develop a joint backup and recovery processing site for information systems in cooperation with the Missouri Department of Transportation.
- \$409,418 for pay plan, including \$12,293 general revenue.
- (\$537,549) core reduction for one-time expenditures, including (\$58,072) general revenue.
- (\$5,256) core reduction from the Fiscal Year 2009 appropriation level.

STATE WATER PATROL

The primary task of the State Water Patrol is to ensure that Missouri citizens and tourists enjoy state waterways safely through enforcement of water safety laws. This is accomplished by patrolling 626,081 acres of recreational waters in the state. Water Patrol officers provide boating safety education, boat inspection services, and enforce state and federal laws relating to water safety.

Fiscal Year 2010 Governor's Recommendations

- \$202,053 for pay plan, including \$137,583 general revenue.
- (\$886,160) and (22) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$14,188) transferred to the Office of Administration for information technology services.

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF ALCOHOL AND TOBACCO CONTROL

The Division of Alcohol and Tobacco Control administrative staff review all liquor license applications and reported liquor and tobacco violations. The staff develops facts regarding reported violations in pre-hearing conferences and formal hearings before the supervisor, and, depending on the outcome of hearings, issues citations.

The audit and collection staff reviews beer, wine, and liquor transactions to ensure that all revenues due to the state are collected. The program also ensures fair competition among liquor wholesalers by monitoring actual prices charged for various classes and types of beverages against price schedules for such products.

The enforcement program ensures that liquor licenses are issued only to qualified applicants on approved premises. Agents conduct inspections and investigate complaints received on violations of alcohol and tobacco control laws. Reports are filed with local authorities and the supervisor of Alcohol and Tobacco Control for review and appropriate action.

Fiscal Year 2010 Governor's Recommendations

- \$72,040 for pay plan, including \$59,169 general revenue.
- (\$691,231) and (eight) staff core reduction from the Fiscal Year 2009 appropriation level.

DIVISION OF FIRE SAFETY

Division of Fire Safety staff investigates the causes of fires and explosions. Investigators assist in case development and, when necessary, work with local law enforcement authorities to prosecute persons accused of arson. Inspection activities concentrate on fire prevention evaluations. Inspectors evaluate nursing homes that are used for state mental health patients, patient care facilities operated by the Department of Mental Health, day care facilities licensed by the state, senior citizen nutrition and recreation centers, and other public facilities. The division also administers a Public Boiler and Pressure Vessel Safety Inspection Program, Elevator Safety Program, Amusement Ride Safety Program, conducts fireworks industry inspections, and provides firefighter training throughout the state.

Fiscal Year 2010 Governor's Recommendations

- \$83,814 for pay plan, including \$62,995 general revenue.
- (\$122,873) core reduction for one-time expenditures, including (\$74,664) general revenue.
- (\$109,518) and (two) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$10,282) transferred to the Office of Administration for information technology services, including (\$6,532) general revenue.

**DEPARTMENT OF PUBLIC SAFETY
MISSOURI VETERANS' COMMISSION**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Administration and Service to Veterans	\$ 4,338,649	\$ 5,187,363	\$ 5,357,944
Veterans' Service Officer Program	750,000	1,000,000	1,000,000
Veterans' Homes	64,093,072	67,674,417	70,811,930
Veterans' Homes Overtime	1,961,898	2,428,158	2,501,003
DEPARTMENT TOTAL	\$ 71,143,619	\$ 76,289,938	\$ 79,670,877
General Revenue Fund	29,486,048	30,997,693	32,936,806
Veterans' Commission Capital Improvement Trust Fund	2,243,028	2,985,362	3,388,402
Missouri Veterans' Homes Fund	39,359,139	42,229,582	43,268,368
Veterans' Trust Fund	55,404	77,301	77,301

MISSOURI VETERANS' COMMISSION

The commission has four components: administration, which oversees programs and maintains central files; the Missouri veterans' homes at St. James, Mexico, Mt. Vernon, Cape Girardeau, St. Louis, Cameron, and Warrensburg, which care for Missouri veterans; the Missouri veterans' cemeteries at Higginsville, Springfield, Jacksonville, and Bloomfield; and the Service to Veterans' Program, which assists veterans in applying for U.S. Veterans Administration pensions and other benefits.

Fiscal Year 2010 Governor's Recommendations

- \$1,719,046 for increased pharmaceutical and food costs at veterans' homes.
- \$691,121 Veterans' Commission Capital Improvement Trust Fund and 7.75 staff to fully staff the Fort Leonard Wood Veterans Cemetery.
- \$1,595,636 for pay plan, including \$385,986 general revenue.
- (\$366,016) and (four) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$160,112) general revenue.
- (\$190,491) core reduction for one-time expenditures, including (\$5,807) general revenue.
- (\$68,357) Veterans' Commission Capital Improvement Trust Fund transferred to the Office of Administration for utility costs and information technology services.

MISSOURI GAMING COMMISSION

Senate Bill 10 (1993) established the Gaming Commission, which was granted regulatory authority over riverboat gambling and bingo. The five members of the Gaming Commission are appointed by the Governor with the advice and consent of the Senate.

Fiscal Year 2010 Governor's Recommendations

- \$1,407,285 Gaming Commission Fund and 13 staff for a new casino opening in Fiscal Year 2010.
- \$378,468 Gaming Commission Fund for pay plan.
- (\$678,294) Gaming Commission Fund and (ten) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$97,570) Gaming Commission Fund reallocated to the State Highway Patrol for uniform and ammunition allowance.

**DEPARTMENT OF PUBLIC SAFETY
ADJUTANT GENERAL**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Administration	\$ 1,337,443	\$ 1,424,178	\$ 1,317,864
National Guard Trust Fund Program	4,591,853	5,441,929	6,265,776
Veterans' Recognition Program	393,138	628,021	630,696
Field Support	1,657,678	1,472,438	1,486,115
Missouri Military Family Relief Program	212,053	200,000	200,000
Contract Services	15,941,897	17,694,743	17,976,153
Office of Air Search & Rescue	16,469	16,978	16,978
State Emergency Management Agency (SEMA)	161,399,040	51,109,216	51,419,914
DEPARTMENT TOTAL	\$ 185,549,571	\$ 77,987,503	\$ 79,313,496
General Revenue Fund	9,607,799	5,928,616	6,405,430
Federal Funds	169,457,126	64,376,174	65,181,186
Missouri National Guard Trust Fund	4,823,103	5,673,178	5,709,425
Other Funds	1,661,543	2,009,535	2,017,455

ADJUTANT GENERAL

ADMINISTRATION

This section provides administrative support for the Missouri National Guard, including the functions of command communication, logistical assistance, finance, and budgeting. The Adjutant General is the military chief of staff to the commander-in-chief (Governor). The Adjutant General is also the administrative head of the military forces, which include Army and Air National Guard elements assigned to the state by the federal government.

Fiscal Year 2010 Governor's Recommendations

- \$32,416 for pay plan.
- (\$138,730) and (2.8) staff core reduction from the Fiscal Year 2009 appropriation level.

NATIONAL GUARD TRUST FUND PROGRAM

HB 1519 (1998) established the Missouri National Guard Trust Fund and permitted income tax check-off contributions to be deposited in the fund. Grants, gifts, and bequests may also be deposited in the fund. In the absence of specific requirements attached to fund donations, the Office of the Adjutant General may, subject to appropriation, expend the funds for any lawful purpose in support of the Guard.

Fiscal Year 2010 Governor's Recommendations

- \$787,600 for the National Guard Tuition Assistance Program.
- \$36,247 Missouri National Guard Trust Fund for pay plan.

VETERANS' RECOGNITION PROGRAM

The Veterans' Recognition Program was first established in 2000 with the creation of the World War II Veterans' Recognition Award. During the 2003 legislative session, the Korean Conflict Medallion Program was established. The Vietnam War Medallion Program was established by HB 978 in 2006. Veterans serving on active duty between February 28, 1961 and May 7, 1975 are entitled to receive a medallion, medal, and certificate of appreciation.

Fiscal Year 2010 Governor's Recommendations

- \$2,675 Veterans' Commission Capital Improvement Trust Fund for pay plan.

DEPARTMENT OF PUBLIC SAFETY

ADJUTANT GENERAL (Continued)

FIELD SUPPORT

The field support section supports the operational needs of Missouri National Guard facilities located throughout the state. This section includes maintenance and operation of 62 armories and 629 buildings in 64 Missouri communities.

Fiscal Year 2010 Governor's Recommendations

- \$149,600 and 4.6 staff for operation of the expanded Jefferson Barracks Joint Use Armory, including \$85,000 general revenue.
- \$23,366 for pay plan, including \$22,321 general revenue.
- (\$159,289) and (one) staff core reduction from the Fiscal Year 2009 appropriation level.

MISSOURI MILITARY FAMILY RELIEF PROGRAM

Families of persons who are members of the Missouri National Guard or Missouri residents who are members of the reserve forces of the United States and have been called to active duty as a result of the terrorist attacks of September 11, 2001 are eligible for grants through this program. This program will be funded in its entirety from donations and income tax contributions designated on Missouri income tax returns.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

CONTRACT SERVICES

This section provides funding for contractual agreements between the federal and state government related to maintenance and security of National Guard installations.

Fiscal Year 2010 Governor's Recommendations

- \$368,361 for pay plan, including \$14,514 general revenue.
- (\$86,951) and (three) staff core reduction from the Fiscal Year 2009 appropriation level.

OFFICE OF AIR SEARCH AND RESCUE

The Office of Air Search and Rescue provides emergency services utilizing the efforts of professionally trained pilots, communications specialists, and emergency support personnel. The office works in cooperation with state and federal agencies, the Civil Air Patrol, and public and private hospitals to provide emergency services, rescue operations, mercy missions, aerial observations, and emergency communications to anyone in immediate need of these specialized services.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

STATE EMERGENCY MANAGEMENT AGENCY

The State Emergency Management Agency develops policies and procedures that help protect citizens in times of disaster. The agency is charged with the task of preparing and periodically updating plans to manage and control the state's resources in emergency situations. Once disaster strikes, the agency administers federal assistance to disaster areas and coordinates efforts to aid individuals, protect property, and restore essential utilities and structures. A state emergency operations center also is maintained to serve as the control center for state government should emergency situations arise.

Fiscal Year 2010 Governor's Recommendations

- \$624,000 to update the State Hazard Mitigation Plan, including \$156,000 general revenue.
- \$73,879 for pay plan, including \$35,710 general revenue.
- (\$387,181) and (three) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$271,777) general revenue.

DEPARTMENT OF CORRECTIONS

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Office of the Director	\$ 80,265,213	\$ 85,679,173	\$ 87,570,926	\$ 87,205,231
Division of Human Services	11,011,933	12,225,812	12,336,385	10,817,435
Division of Adult Institutions	259,953,722	294,038,797	290,364,976	290,696,614
Division of Offender Rehabilitative Services	167,238,064	184,109,862	192,295,001	188,420,218
Board of Probation and Parole	79,032,928	94,022,969	98,203,507	97,439,458
DEPARTMENTAL TOTAL	\$ 597,501,860	\$ 670,076,613	* \$ 680,770,795	\$ 674,578,956
General Revenue Fund	554,717,423	612,500,212	621,423,870	618,290,370
Federal Funds	5,562,860	6,941,995	6,741,995	6,919,861
Working Capital Revolving Fund	30,279,354	35,091,584	35,091,584	31,819,838
Inmate Revolving Fund	6,863,852	15,278,222	17,248,746	17,284,287
Correctional Substance Abuse Earnings Fund	78,371	264,600	264,600	264,600
Full-time equivalent employees	11,294.64	11,430.63	11,467.74	11,297.19

* Does not include \$2,931,580 recommended in the Fiscal Year 2009 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Corrections supplemental appropriations.

DEPARTMENT SUMMARY

The Fiscal Year 2010 budget provides a total of \$674.6 million for the Department of Corrections. The department provides secure facilities for segregating criminals and promotes a safe reintegration of former offenders into lawful society. The core functions provided by the Department of Corrections promote the safety of Missourians through:

- Confinement of offenders who require incarceration.
- Rehabilitation of both incarcerated and community-supervised offenders.
- Supervision of offenders who have served their terms and are being reintroduced back into society.
- Supervision of offenders who have been assigned probation in the community.

Under the Fiscal Year 2010 budget:

- All adult institutions will remain open with the ability to operate at full capacity.
- \$3,000,000 in reentry grants will be made available to local agencies and nonprofit organizations to support offender reentry.
- St. Louis Reentry program is converted from a pilot to an ongoing program.
- Probation and Parole's staff salary schedules will be fully funded.

**DEPARTMENT OF CORRECTIONS
OFFICE OF THE DIRECTOR**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Office of the Director (Staff)	\$ 3,033,178	\$ 3,718,568	\$ 4,010,484
Federal Programs	5,336,283	6,491,994	6,569,859
Restitution Payments	109,500	182,500	182,500
Food Purchases	26,307,050	27,538,661	28,946,089
Population Growth Pool	3,231,042	2,447,412	2,337,419
Telecommunications	2,239,422	2,239,422	2,098,264
Costs in Criminal Cases	40,008,738	43,060,616	43,060,616
TOTAL	\$ 80,265,213	\$ 85,679,173	\$ 87,205,231
General Revenue Fund	74,702,353	78,737,179	80,285,371
Federal Funds	5,562,860	6,941,994	6,919,860

The director of the Department of Corrections provides guidance, coordination, and control of the four departmental divisions: Human Services, Adult Institutions, Offender Rehabilitative Services, and the Board of Probation and Parole. The Office of the Director consists of the Director's Office, the Deputy Director's Office, Public Information, Office of Constituent Services, and Legal Services.

Fiscal Year 2010 Governor's Recommendations

- \$1,607,428 for increased food costs.
- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$242,507 for pay plan, including \$164,642 general revenue.
- \$500,000 transferred from the Department of Social Services to reduce recidivism and second-generation incarcerations by preserving inmates' family units, including \$400,000 general revenue.
- \$287,183 and 2 staff reallocated from the Division of Adult Institutions.
- \$153,017 and 3.5 staff reallocated from the Division of Offender Rehabilitative Services.
- \$44,125 and one staff reallocated from the Board of Probation and Parole.
- (\$1,308,203) and (3.3) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$1,108,203) general revenue.
- (.74) staff reallocated to the Division of Human Services.

DIVISION OF HUMAN SERVICES

The Division of Human Services consists of Training, Employee Health and Safety, Human Resources, Budget and Research, Fiscal Management, General Services, Strategic Planning, and Religious and Spiritual programs. Training is responsible for training new staff and upgrading training for present staff. Employee Health and Safety consists of activities involving infectious disease control, wellness programs, and other items that relate to employee morale and well-being. Human Resources coordinates hiring, promotions, and discipline in all four divisions to ensure that professional and equitable treatment is available to all employees. Budget and Research ensures that long- and short-term budgetary and strategic planning needs are identified and addressed. Fiscal Management carries out the department's day-to-day financial operations. General Services coordinates food and construction services. Chaplains and volunteers are supervised by Religious and Spiritual programs. Department-wide appropriations centralized at this level include fuel and utilities, food, security staff compensatory time, the institutional expense and equipment pool, and federal programs.

Fiscal Year 2010 Governor's Recommendations

- \$238,645 for pay plan, including \$235,302 general revenue.
- \$160,811 and one staff reallocated from the Division of Adult Institutions.
- (\$1,730,876) and (17.27) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$76,957) transferred to the Office of Administration, Facilities Management, Design and Construction.
- .74 staff reallocated from the Office of the Director.

**DEPARTMENT OF CORRECTIONS
DIVISION OF ADULT INSTITUTIONS**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Central Office	\$ 1,622,691	\$ 1,689,045	\$ 1,425,284
Overtime	9,300,570	10,015,777	6,454,163
Wage and Discharge Costs	3,721,335	3,858,702	3,279,897
Institutional E&E Pool	17,623,334	22,437,566	18,060,407
Jefferson City Correctional Center	15,249,756	16,328,668	16,487,940
Central Missouri Correctional Center	483,101	593,073	604,756
Women's Eastern Reception and Diagnostic Correctional Center	11,980,891	14,083,507	14,706,790
Ozark Correctional Center	4,761,061	5,110,663	5,243,989
Moberly Correctional Center	11,815,498	12,564,985	12,812,512
Algoa Correctional Center	9,348,242	9,976,735	10,173,276
Missouri Eastern Correctional Center	9,249,090	9,930,235	10,125,860
Chillicothe Correctional Center	5,412,054	14,662,593	15,524,307
Boonville Correctional Center	8,792,429	9,543,556	9,692,025
Farmington Correctional Center	17,394,635	19,004,337	19,378,719
Farmington Correctional Center/ Board of Public Buildings	702,306	860,901	886,729
Western Missouri Correctional Center	13,884,323	15,626,736	15,968,920
Potosi Correctional Center	10,005,171	11,003,465	11,220,231
Fulton Reception and Diagnostic Correctional Center	11,357,292	12,530,803	12,743,326
FRDCC/Board of Public Buildings	517,227	636,455	655,548
Tipton Correctional Center	9,284,364	9,780,506	9,754,663
Western Reception and Diagnostic Correctional Center	14,677,185	16,066,394	16,382,901
Maryville Treatment Center	5,255,789	5,681,686	5,793,612
Crossroads Correctional Center	10,849,316	11,746,009	11,977,409
Northeast Correctional Center	14,831,777	15,911,183	16,294,282
Eastern Reception and Diagnostic Correctional Center	18,630,844	19,626,715	20,013,361
South Central Correctional Center	11,733,688	12,451,225	12,602,648
Southeast Missouri Correctional Center	11,469,753	12,317,277	12,433,059
TOTAL	\$ 259,953,722	\$ 294,038,797	\$ 290,696,614
General Revenue Fund	259,601,609	293,555,890	290,199,219
Working Capital Revolving Fund	0	1	1
Inmate Revolving Fund	352,113	482,906	497,394

The Division of Adult Institutions' mission is to safely and humanely house criminal offenders within 21 adult correctional institutions statewide. The Division carries out this mission in a secure manner for offenders, staff, and citizens via the daily monitoring of the inmate population; the implementation and oversight of the inmate classification process; and the transportation and re-incarceration of parole violators.

Fiscal Year 2010 Governor's Recommendations

- \$1,647,570 and 45.11 staff for the cost-to-continue of the Chillicothe Correctional Center expansion.
- \$7,792,953 for pay plan, including \$7,778,465 general revenue.
- (\$7,351,315) and (100.21) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$2,859,033) core reduction for one-time expenditures.
- (\$1,061,864) and (4) staff transferred to the Office of Administration for statewide consolidation of facility-related contracts.
- (\$434,386) and (12) staff reallocated to the Division of Rehabilitative Services.
- (\$429,939) and (13) staff reallocated to the Board of Probation and Parole.
- (\$287,183) and (2) staff reallocated to the Office of the Director.
- (\$198,175) transferred to the Office of Administration for statewide consolidation of information technology-related contracts.
- (\$160,811) and (1) staff reallocated to the Division of Human Services.

DEPARTMENT OF CORRECTIONS

DIVISION OF ADULT INSTITUTIONS (Continued)

Missouri Prison Population for December 15, 2008

<u>Male Institutional</u>	<u>Capacity</u>	<u>Beds Off Line</u>	<u>Population</u>	<u>Vacancies</u>
Algoa Correctional Center	1,565	28	1,527	10
Boonville Correctional Center	1,256	0	1,124	132
Crossroads Correctional Center (Cameron)	1,448	0	1,446	2
Eastern Reception/Diagnostic Correctional Center (Bonne Terre)	2,684	0	2,854	(170)
Farmington Correctional Center	2,288	0	2,291	(3)
Fulton Reception and Diagnostic Center	1,302	0	1,533	(231)
Jefferson City Correctional Center	1,971	0	1,969	2
Kansas City Community Release Center*	300	0	243	57
Maryville Treatment (General Population)	36	0	0	36
Missouri Eastern Correctional Center (Pacific)	1,140	40	1,096	4
Moberly Correctional Center	1,800	0	1,766	34
Northeast Correctional Center (Bowling Green)	1,935	0	1,924	11
Ozark Correctional Center (Fordland)	650	0	639	11
Potosi Correctional Center	862	0	850	12
South Central Correctional Center (Licking)	1,642	0	1,561	81
Southeast Missouri Correctional Center (Charleston)	1,642	0	1,537	105
St. Louis Community Release Center*	524	0	510	14
Tipton Correctional Center	1,216	24	1,163	29
Western Missouri Correctional Center (Cameron)	2,123	400	1,716	7
Western Reception/Diagnostic Correctional Center (St. Joseph)	1,329	10	1,405	(86)
Male Institutional Total	27,713	502	27,154	57
<u>Male Treatment</u>				
Boonville Treatment Center	60	0	59	1
Cremer (Fulton)	180	0	166	14
Farmington Treatment Center	344	0	278	66
Maryville Treatment Center	525	0	522	3
Mineral Area Treatment Center	100	0	91	9
Western Regional Treatment Center	645	0	606	39
Male Treatment Total	1,854	0	1,722	132
TOTAL MALE POPULATION	29,567	502	28,876	189
<u>Female</u>				
Chillicothe Correctional Center	1,397	200	471	726
Kansas City Community Release Center*	50	0	27	23
St. Louis Community Release Center*	26	0	22	4
Women's Eastern Reception and Diagnostic Correctional Center (Vandalia)	1,735	0	1,790	(55)
Female Treatment				
Chillicothe Treatment Center	240	240	0	0
Women's Eastern Reception and Diagnostic Correctional Center (Vandalia)	240	0	240	0
TOTAL FEMALE POPULATION	3,688	440	2,550	698
TOTAL POPULATION	33,255	942	31,426	887

* Community Release Center data was recorded and reported separately from other facilities.

**DEPARTMENT OF CORRECTIONS
DIVISION OF OFFENDER REHABILITATIVE SERVICES**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Central Office	\$ 1,832,554	\$ 2,069,604	\$ 1,408,824
Medical Services	114,679,324	122,530,500	129,859,957
Medical Equipment	217,022	232,523	232,523
Substance Abuse Services	7,270,148	9,888,777	10,706,279
Drug Testing-Toxicology	858,582	859,831	730,856
Education Services	11,036,960	12,514,948	12,795,660
Vocational Enterprises	30,279,354	33,778,821	30,603,351
Prison Industry Enhancement	0	962,762	866,486
Reentry	355,302	372,096	316,282
Reentry Pilot St. Louis	708,818	900,000	900,000
TOTAL	\$ 167,238,064	\$ 184,109,862	\$ 188,420,218
General Revenue Fund	136,880,339	148,753,678	156,335,780
Federal Funds	0	1	1
Working Capital Revolving Fund	30,279,354	35,091,583	31,819,837
Correctional Substance Abuse Earnings Fund	78,371	264,600	264,600

The Division of Offender Rehabilitative Services is responsible for providing rehabilitative, educational, and treatment programs to offenders. These programs include: reception and diagnostic center assessment; adult education; library services; substance abuse treatment; inmate physical and mental health care; sexual offender assessment and treatment; and work-based education including involvement with Missouri Vocational Enterprises. Through the utilization of these programs, the Division of Offender Rehabilitative Services seeks to improve the offender's ability to successfully comply with society's expectations and thus reduce significantly the rate of offender recidivism.

Fiscal Year 2010 Governor's Recommendations

- \$7,329,457 for increased health care costs.
- \$900,000 for continuation of the St. Louis Reentry pilot program.
- \$631,508 for substance abuse services for female offenders.
- \$641,215 for pay plan, including \$438,803 general revenue.
- \$434,386 and 12 staff reallocated from the Division of Adult Institutions.
- \$50,375 transferred from the Office of Administration.
- (\$4,623,568) and (38) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$1,149,410) general revenue.
- (\$900,000) core reduction for one-time expenditures.
- (\$153,017) and (3.5) staff reallocated to Office of the Director.

**DEPARTMENT OF CORRECTIONS
BOARD OF PROBATION AND PAROLE**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Probation and Parole Staff	\$ 63,533,068	\$ 71,489,564	\$ 76,633,107
St. Louis Community Release Center	3,804,571	4,252,822	4,340,744
Kansas City Community Release Center	2,105,496	2,505,027	2,580,178
Community Supervision Centers	3,750,502	6,936,991	5,256,302
Community-Based Corrections Programs	5,839,291	8,838,565	8,629,127
TOTAL	\$ 79,032,928	\$ 94,022,969	\$ 97,439,458
General Revenue Fund	72,726,469	79,402,121	80,830,376
Inmate Revolving Fund	6,306,459	14,620,848	16,609,082

The Board of Probation and Parole provides a full range of supervision strategies to manage offenders who are on probation and parole. These strategies combine appropriate structure, control, treatment, and intervention to address the risk and needs of offenders in the community. In addition to supervision of offenders, staff provides assessments and investigations for the courts, parole board, and other states. These assessments and investigations assist the judges and parole board in making informed and appropriate decisions on cases before them. Through professional assessment and supervision, the board is able to identify and deliver a continuum of necessary services to address a complex offender population. The board also manages a range of alternatives, including community sentencing, the house arrest program, intensive supervision, and halfway houses.

Fiscal Year 2010 Governor's Recommendations

- \$3,000,000 Inmate Revolving Fund for expansion of the Community Reentry Grants Program.
- \$1,487,452 for probation and parole officers' pay restoration.
- \$2,180,701 for pay plan, including \$2,162,991 general revenue.
- \$429,939 and 13 staff reallocated from the Division of Adult Institutions.
- (\$1,525,604) transferred to the Department of Mental Health, including (\$496,128) general revenue.
- (\$1,250,456) and (11.77) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$471,615) and (4) staff transferred to the Office of Administration for statewide consolidation of facility-related contracts.
- (\$389,803) core reduction for one-time expenditures.
- (\$44,125) and (1) staff reallocated to the Office of the Director.

DEPARTMENT OF MENTAL HEALTH

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Office of the Director	\$ 42,729,450	\$ 55,146,386	\$ 57,380,550	\$ 57,433,955
Division of Alcohol and Drug Abuse	98,068,548	115,224,077	137,560,496	125,072,417
Division of Comprehensive Psychiatric Services	382,093,072	418,824,028	478,201,844	431,721,034
Division of Developmental Disabilities	549,274,784	570,329,936	645,845,360	604,032,705
DEPARTMENTAL TOTAL	\$ 1,072,165,854	\$ 1,159,524,427 *	\$ 1,318,988,250	\$ 1,218,260,111
General Revenue Fund	586,151,801	616,597,388	694,617,070	629,846,417
Federal Funds	451,624,580	500,992,156	579,719,519	546,612,597
Mental Health Intergovernmental Transfer Fund	6,202,133	8,000,000	8,000,000	8,000,000
Compulsive Gamblers Fund	368,070	499,745	516,339	400,943
Health Initiatives Fund	5,802,254	6,537,309	6,480,291	6,451,535
Mental Health Earnings Fund	4,108,340	4,321,824	4,465,329	4,325,246
Mental Health Housing Trust Fund	0	301,867	0	0
Inmate Revolving Fund	672,554	2,970,084	3,999,560	3,999,560
Healthy Families Trust Fund	2,325,388	2,285,637	2,248,944	2,227,000
Mental Health Trust Fund	954,404	2,824,743	2,960,854	2,120,870
DMH Local Tax Matching Fund	13,956,330	14,193,674	15,980,344	14,275,943
Full-time equivalent employees	8,996.39	8,676.04	8,682.64	8,381.26

* Does not include \$11,811,338 recommended in the Fiscal Year 2009 Supplemental Appropriations, including \$6,432,472 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Mental Health supplemental appropriations.

DEPARTMENT SUMMARY

Despite the current economic crisis, the Fiscal Year 2010 budget provides \$1.2 billion in total funding for the Department of Mental Health, a five percent increase from Fiscal Year 2009 levels. Not only does this funding preserve all Medicaid and non-Medicaid related services, but adds \$48.1 million to meet the expected growth in the Medicaid program. Unlike other states that have lowered provider rates to meet budget challenges, the Fiscal Year 2010 budget does not call for a reduction in any provider rates. Furthermore, this budget maintains current funding for community services that enhance the ability of mentally ill and developmentally disabled Missourians to live successfully in their homes and communities.

Core services provided by the Department of Mental Health include:

- Offering prevention, evaluation, treatment, and rehabilitation services for individuals requiring public mental health services. One in four Missouri families is affected by mental illness. Though many persons with mental illnesses obtain treatment from private providers, more than 70,000 people a year turn to the Division of Comprehensive Psychiatric Services. The division also operates forensic and sexually violent predator programs that protect the public from clients committed to state custody by the courts.
- Improving the lives of persons with developmental disabilities - individuals who are substantially limited in their ability to function independently. The Division of Developmental Disabilities is committed to building partnerships that support individuals with developmental disabilities in meeting their own unique needs. This is accomplished through a client-centered planning process designed to provide tailored programs and services that will enable these individuals to live in the safest, least restrictive setting appropriate to their individual needs and capacities.
- Providing substance abuse prevention, education, intervention, and treatment. The Division of Alcohol and Drug Abuse strives to have a positive impact on the problems that are associated with addiction - problems that cost the state's economy in loss of productivity, health care expenditures, and crime.

DEPARTMENT OF MENTAL HEALTH

OFFICE OF THE DIRECTOR

The Department of Mental Health establishes policies, standards, and quality controls for prevention, education, habilitation, rehabilitation, and treatment for Missourians challenged by mental illness, substance abuse/addiction, and developmental disabilities. The department implements policy and programs through three program divisions -- Alcohol and Drug Abuse, Comprehensive Psychiatric Services, and Developmental Disabilities. Services are provided through an array of community-based programs and outpatient clinics, inpatient hospitals, long-term rehabilitation centers, and habilitation centers. The department operates under the advice of a seven-member Mental Health Commission appointed by the Governor.

The Office of the Director implements the plans and policies of the Mental Health Commission and manages the department. The Office of the Deputy Director is in charge of internal audits, quality improvement, deaf services, and houses the Office of Clinical Services for Children, Youth and Families. The Office of Public Affairs/Legislative Liaison disseminates information about mental health programs and reviews state and federal legislation. The Office of Transformation provides staff and infrastructure support to the Governor-appointed Transformation Working Group to develop and implement a statewide needs assessment, inventory of resources and a Comprehensive Mental Health Plan for Missouri centered on the six goals of the President's New Freedom Commission Report. The Office of Administration provides management and fiscal support.

Fiscal Year 2010 Governor's Recommendations

- \$2,790,859 federal funds for the Shelter Plus Care grant which provides rental assistance to the homeless population with serious mental illness.
- \$1,250,000 for replacement of Health Care Technology Funds for the Medicaid Mental Health Partnership.
- \$783,162 federal funds for housing assistance for homeless veterans.
- \$136,111 Mental Health Trust Fund for the Missouri Foundation for Health grant and for the Screening, Brief Intervention, Referral, and Treatment grant.
- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$268,393 for pay plan, including \$213,968 general revenue.
- (\$2,862,969) and (8.33) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$262,969) general revenue.
- (\$77,988) and (.73) staff core reallocation to various divisions, including (\$6,148) general revenue.

DIVISION OF ALCOHOL AND DRUG ABUSE

The Division of Alcohol and Drug Abuse has the responsibility of ensuring that treatment and prevention services are accessible to persons with substance abuse and gambling disorders, and those at risk for substance abuse and compulsive gambling. The division achieves these goals through a treatment system of contracted community-based providers and a state-operated facility and contracts for 40 general treatment service programs and 46 Comprehensive Substance Treatment and Rehabilitation programs (CSTAR). The general treatment service programs offer an array of services, including detoxification from drugs and alcohol, outpatient services, and residential support. The CSTAR programs offer comprehensive services through three levels of care based on need and severity of addiction. The division has established 12 CSTAR programs specifically for pregnant women and their children, 14 programs specifically for adolescents, and 4 programs specifically for opioid dependent individuals. The division's administrative responsibilities include, but are not limited to, fiscal oversight, technical assistance and training, standard setting to ensure quality services, research, public information dissemination, clinical review and service authorization, review and oversight of the division's budget, and program planning and policies for prevention and treatment services. Missouri receives federal funds from the Substance Abuse Prevention and Treatment Block Grant, the Center for Substance Abuse Treatment, the Center for Substance Abuse Prevention, the U.S. Department of Education, and the U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention.

Fiscal Year 2010 Governor's Recommendations

- \$2,482,986 federal funds and one staff for the Screening, Brief Intervention, Referral, and Treatment grant.
- \$2,453,807 for anticipated caseload increases in the Medicaid program, including \$874,252 general revenue.
- \$1,164,046 for replacement of Organized Health Care Delivery System earnings.
- \$1,152,000 to provide Medicaid coverage for adults up to 50 percent federal poverty level, including \$412,646 general revenue.
- \$1,120,244 for increased medication cost due to inflation.
- \$398,110 federal funds to address the change in the Medicaid federal participation percentage.
- \$160,988 for pay plan, including \$125,683 general revenue.
- \$1,525,604 transferred from the Department of Corrections for substance abuse and treatment services provided through community support centers, including \$496,128 general revenue.
- (\$609,445) and (2.42) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$333,272) general revenue.

DEPARTMENT OF MENTAL HEALTH

DIVISION OF COMPREHENSIVE PSYCHIATRIC SERVICES

The Division of Comprehensive Psychiatric Services (CPS) is charged with the delivery of psychiatric services to individuals with mental illness throughout the State of Missouri.

Missouri's mental health system is committed to serving four target populations: persons with serious and persistent mental illness, persons suffering from acute psychiatric conditions, children and youth with serious emotional disturbances, and forensic clients. In addition, CPS has identified four priority groups within the target populations: (1) individuals in crisis, (2) people who are homeless, (3) those recently discharged from inpatient care, and (4) substantial users of public funds. These target populations currently constitute the majority of clientele whom the division serves both in inpatient and ambulatory settings.

The division divides Missouri into 25 service areas. Each service area has a community mental health center which provides psychiatric services to individuals in need and is designated as the division's administrative agent. These administrative agents serve as the primary entry and exit point for state mental health services. The agents are responsible for the assessment and services provided to both adults and children in their assigned areas and for providing follow-up services for individuals released from state-operated inpatient hospitals.

CPS operates eight adult inpatient facilities, one children's psychiatric hospital, and one children's residential center. There is an additional 10-bed children's acute unit at one of the adult inpatient facilities. The division also operates and oversees a program for sexually violent predators committed to state custody by the courts.

Fiscal Year 2010 Governor's Recommendations

- \$13,380,315 for anticipated caseload increases in the Medicaid program, including \$4,791,406 general revenue.
- \$2,437,830 to provide Medicaid coverage for additional children identified as eligible based on data matches, including \$873,231 general revenue.
- \$1,980,000 to provide Medicaid coverage for adults up to 50 percent federal poverty level, including \$709,236 general revenue.
- \$1,774,857 for increased medication cost due to inflation.
- \$1,675,465 federal funds to address the change in the Medicaid federal participation percentage.
- \$1,515,500 for replacement of Organized Health Care Delivery System earnings.
- \$1,342,495 and 28.88 staff to accommodate population increases within the Missouri Sexual Offender Treatment Center.
- \$389,229 for the increased cost of health care services.
- \$237,020 for increased food cost.
- \$125,000 DMH Local Tax Matching Fund to expand the partnership with the St. Charles Children's Tax Board.
- \$123,465 for increases in the U.S. Department of Housing and Urban Development projected 2009 Fair Market Rents for Missouri.
- \$95,000 for anticipated increased non-emergency medical transportation rates, including \$34,029 general revenue.
- \$35,137 to address the increase in Medicare Part B premiums.
- \$4,422,842 for pay plan, including \$4,245,195 general revenue.
- \$71,840 federal funds and 1.23 staff core reallocation from various divisions.
- \$97,643 transferred from Office of Administration.
- (\$16,512,911) and (291.63) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$16,226,535) general revenue.
- (\$245,377) core reduction for one-time expenditures.
- (\$48,344) core reallocation to various divisions.

DIVISION OF DEVELOPMENTAL DISABILITIES

The Division of Developmental Disabilities operates several facilities and purchases residential, habilitative, and support services for consumers who live in the community and for families who keep their developmentally disabled children at home. This is a key element in the development of an integrated system that will enable mentally retarded and developmentally disabled consumers to live as normally and independently as their conditions and behavior permit. Community-based services range from residential placements to support services for persons living with their families or in their own apartments. The Medicaid home and community-based waivers play a major role in the division's community service system. The 11 regional offices are the entry and exit points for consumers. The offices provide screening and diagnostic services for both children and adults, evaluate the need for services and arrange for them, and monitor and assess consumers' progress.

DEPARTMENT OF MENTAL HEALTH

DIVISION OF DEVELOPMENTAL DISABILITIES (Continued)

The division provides residential services at the six state habilitation centers. These centers offer training and habilitation for individuals who require Intermediate Care Facility for Mentally Retarded services because of the severity of their disabilities or for behavioral reasons. Those who can successfully transition are eventually moved into appropriate community settings, with the goal of integrating them as fully as possible into normal community life.

Fiscal Year 2010 Governor's Recommendations

- \$32,274,619 for anticipated caseload increases in the Medicaid program, including \$11,566,469 general revenue.
- \$3,983,223 federal funds to address the change in the Medicaid federal participation percentage.
- \$468,001 to provide Medicaid coverage for adults up to 50 percent federal poverty level, including \$167,638 general revenue.
- \$270,645 for the increased cost of health care services.
- \$161,570 for increased food cost.
- \$6,869 for increased medication cost due to inflation.
- \$374 to address the increase in Medicare Part B premiums.
- \$3,571,997 for pay plan, including \$3,105,361 general revenue.
- \$317,836 transferred from the Office of Administration.
- \$54,492 core reallocation from various divisions.
- (\$6,432,705) and (22.28) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$974,152) core reduction of one-time expenditures, including (\$672,285) general revenue.
- (.5) staff core reallocation to the Office of the Director.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Health Administration	\$ 11,229,244	\$ 14,580,853	\$ 13,566,433	\$ 13,324,387
Division of Community and Public Health	259,251,201	271,946,228	299,050,767	265,187,609
Center for Emergency Response and Terrorism	19,893,831	23,328,266	28,829,267	23,422,733
State Public Health Laboratory	8,488,730	9,645,305	9,728,682	9,579,455
Division of Senior and Disability Services	479,064,646	508,435,902	597,721,118	559,275,735
Division of Regulation and Licensure	23,829,268	27,227,227	27,134,480	27,449,402
DEPARTMENTAL TOTAL	\$ 801,756,920	\$ 855,163,781	\$ 976,030,747	\$ 898,239,321
General Revenue Fund	228,999,445	243,607,994	313,082,164	253,861,566
Federal Funds	552,870,721	586,115,078	638,720,822	619,991,896
Nursing Facility Quality of Care Fund	1,329,863	2,001,843	2,142,120	2,339,389
Health Initiatives Fund	5,365,197	6,913,806	5,413,806	5,415,283
Health Access Incentive Fund	3,182,755	3,456,149	3,224,149	3,229,134
Elderly Home-Delivered Meals Trust Fund	40,529	200,000	200,000	100,000
Missouri Public Health Services Fund	4,737,701	6,177,597	6,180,670	6,111,560
Professional and Practical Nursing Student Loan and Nurse Loan Repayment Fund	456,586	589,178	604,178	606,354
Healthy Families Trust Fund	199,844	200,000	200,000	0
Department of Health and Senior Services Document Services Fund	258,348	841,638	841,638	752,442
Department of Health - Donated Fund	2,263,144	2,096,796	2,096,796	2,103,522
Safe Drinking Water Fund	0	0	0	435,197
Head Injury Fund	754,946	852,400	1,149,900	1,149,900
Missouri Health Care Access Fund	0	1	1	1
Organ Donor Program Fund	88,566	290,550	303,675	306,931
Early Childhood Development, Education and Care Fund	764,129	993,086	993,086	999,290
Missouri Lead Abatement Loan Fund	0	76,000	76,000	76,000
Childhood Lead Testing Fund	18,661	50,230	50,230	50,724
Governor's Council on Physical Fitness Institution Gift Trust Fund	309	50,000	50,000	50,000
Other Funds	426,176	651,435	701,512	660,132
Full-time equivalent employees	1,779.87	1,914.40	1,988.40	1,897.17

* Does not include \$42,400,000 recommended in the Fiscal Year 2009 Supplemental Appropriations, including \$15,688,000 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Health and Senior Services supplemental appropriations.

DEPARTMENT SUMMARY

Despite the current economic crisis, the Fiscal Year 2010 budget provides \$898.2 million in total funding for the Department of Health and Senior Services, a five percent increase over Fiscal Year 2009. Not only does this funding preserve all Medicaid and non-Medicaid related services, but adds \$50.1 million to meet the expected growth in the Medicaid program. Unlike other states that have lowered provider rates to meet budget challenges, this budget does not call for reduction in any provider rates. Furthermore, despite personnel cut-backs throughout the administrative level of government, the regulatory staffing levels within the department will not be affected to ensure continued safety in state licensed facilities. Finally, in recognition of the key role these agencies play on the front lines of implementing health care policy and monitoring health care needs through innumerable direct contacts with Missourians of all ages this budget provides funding for Area Agencies on Aging and Local Public Health Agencies at Fiscal Year 2009 levels.

The primary responsibilities of the department include:

- Safeguarding the public health, safety, and well-being of all Missourians.
- Providing health services and in-home and community programs for Missouri's disabled and senior populations.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

DEPARTMENT SUMMARY (Continued)

- Preventing and controlling communicable and genetic diseases.
- Preventing and reducing the burden of chronic disease.
- Protecting Missourians through regulation and inspection of facilities, including hospitals, nursing homes and other long-term care facilities, and child and adult day care programs, with an emphasis on timely and complete complaint investigations.
- Attending to the specific needs of Missouri's women and minority populations through education, outreach, and the promotion of treatment programs unique to health care issues of these groups.

HEALTH ADMINISTRATION

The Director's Office and the Division of Administration perform the coordination and control functions necessary to ensure efficient, cost-effective use of state resources for all Missouri public health and senior services programs. Responsibilities and services include budgeting, legislative review, accounting, expenditure control, purchasing, contract and grant administration, general office support, legal services, public affairs, strategic planning, and personnel management and training.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$172,919 for pay plan, including \$42,948 general revenue.
- \$144,614 and three staff reallocated from various divisions, including \$100,704 general revenue.
- (\$1,159,034) federal funds core reduction for one-time expenditures.
- (\$414,966) and (6.35) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$314,966) general revenue.

DIVISION OF COMMUNITY AND PUBLIC HEALTH

The Division of Community and Public Health, in partnership with 115 local public health agencies, is responsible for the provision of an effective and responsive public health system in Missouri in order to promote health, prevent disease, and protect all persons living in or traveling through the state. The division addresses this mission through a variety of actions, including monitoring and epidemiological services for environmentally induced conditions and communicable and zoonotic diseases. Additionally, diagnostic and treatment services for tuberculosis, HIV/AIDS, and STDs are provided in collaboration with local public health agencies and other clinical partners.

Public health functions include the collection, analysis, and dissemination of data that identify the current health status, emerging health problems, and the unmet health needs of Missourians. Issuance of birth and death certificate copies, and maintenance of documentation of marriages and dissolutions are also managed through the division. The health needs of women and minority populations in the state are addressed through the Office on Women's Health and the Office on Minority Health, respectively. The division also reduces the risk of disease and illness in Missouri by implementing and assuring good sanitation and safety practices in commercial lodging establishments, on-site sewage systems, and lead remediators. Finally, the division administers programs for maternal, child, and family health including children with special health care needs, nutritional health, chronic disease prevention, health promotion, head injury rehabilitation, genetic disorders, and community health improvement, as well as encouraging nurses, doctors, and dentists to locate in medically underserved areas of the state.

Fiscal Year 2010 Governor's Recommendations

- \$1,500,000 for youth tobacco prevention and cessation programs.
- \$297,500 Head Injury Fund to replace general revenue savings cut from the Adult Head Injury Program.
- \$5,283 to provide Medicaid coverage for additional children based on data matches, including \$1,892 general revenue.
- \$783,282 for pay plan, including \$742,096 general revenue.
- (\$7,094,684) and (four) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$3,947,031) general revenue.
- (\$2,250,000) core reduction for one-time expenditures, including (\$500,000) general revenue.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

CENTER FOR EMERGENCY RESPONSE AND TERRORISM

The Center for Emergency Response and Terrorism is responsible for coordinating regional and state preparedness for public health emergencies and natural disasters, including chemical, biological, radiological, and nuclear terrorism. Through partnerships with local public health agencies, health care organizations, local government agencies, first responders, and other public and private partners, the center works to assure that systems and programs are in place to protect the health of Missourians during a public health emergency.

Fiscal Year 2010 Governor's Recommendations

- \$94,467 federal funds for pay plan.

STATE PUBLIC HEALTH LABORATORY

The State Public Health Laboratory analyzes samples from newborns for metabolic conditions, conducts tests of human samples for suspected disease agents, and tests materials suspected in biological, chemical, and radiological terrorism. Each year nearly four hundred thousand specimens are submitted to the laboratory for testing and examination. The laboratory performs tests for communicable and infectious diseases, including: tuberculosis, HIV, sexually transmitted diseases, rabies, immunizable diseases, and others. The lab also tests public and private water supplies, performs screenings for childhood lead poisoning, and examines milk and food suspected of causing disease outbreaks.

Fiscal Year 2010 Governor's Recommendations

- \$435,197 Safe Drinking Water Fund to replace general revenue savings cut from the Public Drinking Water Program.
- \$83,377 and two staff transferred from the Department of Transportation for the Breath Alcohol Program.
- \$107,614 for pay plan, including \$77,041 general revenue.
- (\$692,038) and (four) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$592,038) general revenue.

DIVISION OF SENIOR AND DISABILITY SERVICES

The Division of Senior and Disability Services is mandated to investigate allegations of abuse, neglect, and financial exploitation of vulnerable elderly and disabled Missourians based on reports received at a state-wide toll-free hotline. Designated as the State Unit on Aging, the division is responsible for assuring that a comprehensive, effective, and coordinated home and community-based long-term care delivery system is available for elderly and disabled individuals. The division informs individuals considering long-term care about their options for home care and provides appropriate referrals; authorizes Medicaid funded home and community-based services; provides care plan management for home care service recipients (both Medicaid recipients and Non-Medicaid eligible recipients); and provides oversight and monitors contracts of service providers. The State Long-Term Care Ombudsman Program advocates for the rights of residents in licensed long-term care facilities and educates volunteers to assist residents in facilities across the state. Funding for the Area Agencies on Aging (AAAs) helps provide seniors the services they need to continue to live in their communities, including congregate and home-delivered meals, transportation, legal services, health promotion, and other support services authorized under the Older Americans Act. The division also provides guidance, oversight, and monitoring of the programs and services offered by the AAAs. These flexible service delivery systems help empower thousands of elderly and adults with disabilities to live dignified, independent lives in their own homes and communities.

Fiscal Year 2010 Governor's Recommendations

- \$50,078,392 to meet increases in demand for Medicaid Home and Community-Based Services Program, including \$17,938,080 general revenue.
- \$5,089,438 federal funds to address the change in the Medicaid federal participation percentage.
- \$360,000 and one staff for the Missouri Quality Homecare Council, pursuant to Proposition B (2008).
- \$297,842 to provide Medicaid coverage for adults up to 50 percent poverty level, including \$106,687 general revenue.
- \$515,227 for pay plan, including \$319,207 general revenue.
- (\$5,476,066) core reduction from the Fiscal Year 2009 appropriation level, including (\$5,376,066) general revenue.
- (\$25,000) core reduction for one-time expenditures.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

DIVISION OF REGULATION AND LICENSURE

The Division of Regulation and Licensure is responsible for assuring that the care and services provided by hospitals, ambulatory surgical centers and other health care facilities, home health agencies, hospices, long-term care facilities, intermediate care facilities (including those for the mentally retarded), skilled nursing facilities, child-care providers, ambulances, emergency medical technicians, and those who prescribe or dispense controlled substances meet state and/or federal standards. The division fulfills its regulatory responsibilities through license issuance, inspections and surveys, compliance monitoring visits, complaint investigations, enforcement activities, and through training and intervention. For those providers who are certified for Medicare and Medicaid, the division performs various functions on behalf of the Center for Medicare and Medicaid Services (CMS). The division also includes the Family Care Safety Registry, which registers caregivers and provides background screenings to families and employers who want to hire a caregiver for children, the elderly, and disabled persons. The Board of Nursing Home Administrators and the Missouri Health Facilities Review Committee are also part of the Division of Regulation and Licensure. The Board licenses, tests, and provides oversight for nursing home administrators. The Health Facilities Review Committee focuses on health care cost containment through a certificate of need process.

Fiscal Year 2010 Governor's Recommendations

- \$167,038 Nursing Facility Quality of Care Fund and 4.22 staff to replace general revenue savings cut from the section for long term care.
- \$659,690 for pay plan, including \$297,284 general revenue.
- (\$459,939) and (10.10) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$144,614) and (three) staff reallocation to various divisions, including (\$100,704) general revenue.

DEPARTMENT OF SOCIAL SERVICES

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Office of the Director	\$ 21,605,870	\$ 33,363,072	\$ 33,363,072	\$ 26,495,603
Family Support Division	507,956,768	501,217,339	519,563,190	506,631,931
Children's Division	529,928,572	548,249,392	569,001,446	540,805,095
Division of Youth Services	60,272,360	63,266,561	67,945,936	64,632,902
MO HealthNet Division	5,088,245,354	5,744,048,921	6,209,782,178	6,231,320,002
DEPARTMENTAL TOTAL	\$ 6,208,008,924	\$ 6,890,145,285 *	\$ 7,399,655,822	\$ 7,369,885,533
General Revenue Fund	1,424,702,451	1,599,886,697	1,764,624,450	1,649,173,071
Title XIX - Federal and Other Funds	2,342,721,055	2,833,135,915	3,085,581,748	3,176,600,775
Temporary Assistance for Needy Families - Federal Funds	138,895,643	153,641,262	155,341,262	155,620,558
DSS - Federal and Other Funds	541,674,266	578,267,648	593,169,248	587,959,570
Uncompensated Care Fund	91,061,737	91,000,001	91,000,001	91,000,001
Pharmacy Rebates Fund	80,454,327	67,955,528	82,155,527	82,155,527
Third Party Liability Collections Fund	20,347,389	24,144,168	24,144,168	22,424,029
Federal Reimbursement Allowance Fund	1,094,302,176	1,022,434,493	1,123,226,317	1,122,837,254
Pharmacy Reimbursement Allowance Fund	31,701,119	31,933,855	42,840,929	42,845,040
MO HealthNet Managed Care Organization Reimbursement Allowance Fund	46,872,202	46,983,825	24,652,575	11,745,956
Family Services Donations Fund	9,693	133,994	133,994	133,994
Child Support Enforcement Fund	9,566,540	11,873,590	11,873,590	10,762,658
Nursing Facility Federal Reimbursement Allowance Fund	202,697,201	214,021,731	214,021,731	214,021,731
Nursing Facility Quality of Care Fund	77,304	540,794	90,794	93,211
Health Initiatives Fund	20,321,228	27,083,585	27,083,585	20,621,449
Gaming Commission Fund	500,000	500,000	500,000	500,000
DSS Administrative Trust Fund	5,417,944	5,452,035	5,452,035	5,452,154
DSS Educational Improvement Fund	5,736,405	6,373,082	5,853,082	5,935,383
Blind Pension Fund	27,194,086	30,141,932	31,994,636	32,022,476
Healthy Families Trust Fund	64,169,460	64,779,494	64,779,494	64,779,494
Healthy Families Trust Fund-Life Sciences Research Account	21,750,000	28,725,000	0	24,974,651
Youth Services Products Fund	0	1	1	1
Missouri Rx Plan Fund	1,628,249	10,730,525	10,730,525	10,752,429
Youth Services Treatment Fund	0	999	999	999
Early Childhood Development, Education and Care Fund	18,771,988	14,517,191	14,517,191	14,518,516
Premium Fund	5,585,804	13,637,940	13,637,940	10,704,606
Blindness Education, Screening and Treatment Program Fund	147,806	250,000	250,000	250,000
Alternative Care Trust Fund	11,702,851	12,000,000	12,000,000	12,000,000
Full-time equivalent employees	8,338.22	8,178.08	8,178.08	8,152.29

* Does not include \$27,490,697 recommended in the Fiscal Year 2009 Supplemental Appropriations, including \$1,071,496 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Social Services supplemental appropriations.

DEPARTMENT OF SOCIAL SERVICES

DEPARTMENT SUMMARY

Despite the current economic crisis, the Fiscal Year 2010 budget provides \$7.4 billion in total funding to the Department of Social Services, a seven percent increase from Fiscal Year 2009 levels. Unlike other states that have lowered provider rates to meet budget challenges, this budget does not call for a reduction in any provider rates. This budget includes an increase in the clothing and diaper allowance for children in foster care, maintains current eligibility levels for child care subsidies at 127 percent of the federal poverty level, and maintains the current transitional child care benefit for families with income up to 139 percent of the federal poverty level. Understanding the importance and need for direct service workers, and despite the deep cuts in administrative staffing throughout government, the Fiscal Year 2010 budget makes no cuts to the front-line employees in income maintenance, child welfare, or youth services. In fact, these workers received a \$7.7 million pay increase.

The total state Medicaid budget grew by 7.54 percent over fiscal year 2009 to \$7.4 billion, with services provided through the Department of Social Services (\$6.2 billion), Department of Health and Senior Services (\$535.3 million), Department of Mental Health, (\$682.6 million), and Department of Elementary and Secondary Education (\$3.4 million). In anticipation of Congress' reauthorization and expansion of the State Children's Health Insurance Program (SCHIP), the Fiscal Year 2010 budget includes \$81.8 million to improve the health of Missouri's children by removing premiums for families under 225 percent of the federal poverty level and implementing a flat premium for families between 225-300 percent of the federal poverty level. Additionally, \$142.9 million in new funding is directed for Medicaid coverage for parents with incomes up to 50 percent of the federal poverty level. In Fiscal Year 2009, a family of three with an income over \$292/month was excluded from coverage under Missouri's Medicaid Program. Together, these initiatives funded in the Fiscal Year 2010 budget will expand coverage to 62,000 Missourians. Finally, in order to help ensure the most return for our investment of scarce taxpayer resources, the Fiscal Year 2010 budget includes increased funding for reviews of providers in an effort to reduce waste, fraud, and abuse in Missouri's Medicaid program.

The core functions provided by the Department of Social Services include:

Children's Division

The Children's Division is dedicated to protecting the welfare of Missouri's children. The division's programs include: foster care, child abuse and neglect investigations, children's treatment, purchase of child care, and adoption assistance.

Income Maintenance

The Family Support Division is responsible for all income support programs and many of the state's child support enforcement functions. The programs administered by the division include: Temporary Assistance for Needy Families, Food Stamps, Energy Assistance, Blind Pension, Supplemental Aid to the Blind, Domestic Violence, and Medicaid eligibility.

Youth Services

The Division of Youth Services provides case management, community care, and aftercare to youth committed to the state's custody for various crimes. The Juvenile Court Diversion Program works with local communities to help prevent juvenile crime and provide treatment for youth in their own communities.

Medicaid

The Medicaid Program is responsible for the delivery of health care to the most vulnerable Missourians, including the elderly, the disabled, children, and pregnant women. The Medicaid Program (Title XIX of the Social Security Act) is a federal-state effort begun in 1965 to meet the health care needs of those who cannot pay for their own care. The program staff oversees the operation of the State Medicaid Program and SCHIP. The health care services include hospital, physician, pharmacy, skilled nursing home care, home health care, mental health, and managed care.

**DEPARTMENT OF SOCIAL SERVICES
DEPARTMENTAL ADMINISTRATION**

OFFICE OF THE DIRECTOR

Departmental Administration includes the director, the director's staff, and the Human Resource Center (HRC). The director sets policy for the department, forges public/private partnerships to help meet department goals, and ensures implementation of its mandates. The HRC plans, develops, and implements statewide human resource programs and training curriculums, giving direction and coordination to all divisions in the Department of Social Services.

The Division of Finance and Administrative Services provides centralized financial and administrative support to all Department of Social Services divisions. Financial related functions include audit support and contract compliance, budgeting, expenditure review and control, federal grants management and reporting, implementation of the department's fiscal policies, and responding to changes in federal and state fiscal policy. Administrative support services include emergency management, telecommunications, warehouse/inventory coordination and distribution, mail services, and fleet management. In addition, staff responsible for the department's research and data management functions are included in the Division of Finance and Administrative Services.

The Division of Legal Services (DLS) provides comprehensive legal support to all program and support divisions in the department. DLS responsibilities include due process hearings for recipient appeals, legal advice and representation for children in the custody of the Children's Division, investigating fraud and abuse of public assistance programs, and conducting background investigations on department employees prior to employment. The division also includes the State Technical Assistance Team (STAT) responsible for assisting in the investigation of child abuse and neglect, child exploitation, and child fatality cases. In addition, the STAT manages Missouri's Child Fatality Review Program (CFRP) and provides in-service training for CFRP panel members and other professional staff. DLS also coordinates the department's compliance with the federal Health Insurance Portability and Accountability Act (HIPAA) by employing a privacy officer to ensure that HIPAA standards are implemented appropriately.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$307,737 for pay plan, including \$209,245 general revenue.
- (\$7,175,207) and (15.25) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$1,312,369) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Family Support Administration	\$ 26,326,822	\$ 26,851,245	\$ 35,007,137
Income Maintenance Field Staff and Operations	88,471,832	95,310,728	96,547,728
Family Support Staff Training	525,346	525,347	422,319
Community Partnerships	8,069,008	8,304,423	8,307,217
Missouri Mentoring Partnership	1,353,398	1,584,924	1,384,924
Kids Mentoring	391,000	500,000	0
Adolescent Boys Program	0	300,000	0
Family Nutrition Program	7,869,490	9,294,560	9,294,560
Temporary Assistance for Needy Families (TANF)	121,566,675	131,033,466	127,233,466
Adult Supplementation	83,370	88,000	69,665
Supplemental Nursing Care	25,504,955	25,807,581	25,807,581
Blind Pension	24,509,071	27,295,396	29,148,100
Refugee Assistance	2,594,543	3,808,853	3,808,853
Community Services Block Grant	18,649,958	19,144,171	19,144,171
Homeless Challenge Grant	449,259	500,000	500,000
Emergency Shelter Grants	1,310,220	1,340,000	1,340,000
Food Distribution Programs	1,113,050	1,175,585	1,175,585
Energy Assistance	62,462,224	40,826,051	40,834,397
Utilicare Transfer	6,440,785	0	0
Domestic Violence	6,255,983	6,437,653	6,437,653
Blind Administration	4,715,914	4,993,042	5,115,088
Services for the Visually Impaired	6,791,036	8,459,151	8,459,151
Child Support Field Staff and Operations	35,525,253	40,014,163	36,079,447
Child Support Distributions	56,977,576	47,623,000	50,514,889
TOTAL	\$ 507,956,768	\$ 501,217,339	\$ 506,631,931
General Revenue Fund	96,766,971	93,801,304	87,552,468
Federal Funds	373,661,440	364,404,097	375,417,803
Other Funds	37,528,357	43,011,938	43,661,660

DEPARTMENT OF SOCIAL SERVICES

FAMILY SUPPORT DIVISION (Continued)

Administrative Services – Management, coordination, and general direction are provided to all Family Support Division programs. The division director and staff monitor the efficiency and effectiveness of and provide policy direction for Income Maintenance and Child Support programs. Administrative Services also provides financial management and operational services, human resource support, and systems support to Income Maintenance and Child Support Enforcement field staff.

Income Maintenance Field Staff and Operations - Staff provides intake services, information and referral, and eligibility determinations for applicants of financial services provided by the department. Funds in these sections support the salaries, general operating expenses, and training for Income Maintenance eligibility specialists, administrative and supervisory staff, and clerical support positions in Family Support offices.

Temporary Assistance for Needy Families (TANF) – TANF is a program designed to provide temporary assistance/relief to families to promote self-sufficiency so parents do not remain dependent on welfare payments and children do not grow up in poverty. Under federal welfare reform, TANF was designed to be a temporary assistance which, coupled with a myriad of other support services, would enable parents to find and retain employment; thereby, enabling them to support their families without government assistance. Missouri continues to implement new, innovative programs designed to meet the diverse needs of TANF recipients.

Adult Supplementation – The federal government assumed responsibility for Old Age Assistance, Aid to the Permanently and Totally Disabled, and Aid to the Blind programs in January 1974 when it created the Supplemental Security Income (SSI) Program. Recipients who are eligible for SSI, but who receive smaller benefits than their December 1973 payments, receive payments from the state equal to the difference. Recipients who are not eligible for SSI, but who received payments under one of the earlier programs, receive payments from the state equal to the amount they received in December 1973. The caseload has been declining since 1973 as recipients die, become ineligible through income changes, or leave the state.

Supplemental Nursing Care – This state-funded program makes monthly cash payments to residents of residential care, assisted living, and non-Medicaid nursing facilities. The type of facility appropriate for clients is dictated by their level of need for care. Minimal medical care is provided in Residential Care, more in Assisted Living, and significantly more in Nursing Facilities. Supplemental Nursing Care recipients also are provided an allowance each month for personal needs such as toiletries, transportation, and hair care.

Blind Pension and Supplemental Aid to the Blind – Three separate programs assist blind persons. The first, Supplemental Aid to the Blind, pays benefits to those who meet certain income requirements. The second, Blind Pension, aids the blind that do not qualify for Supplemental Aid to the Blind and who do not own property – excluding homes – worth more than \$20,000. The third program, Adult Supplemental Payments, aids those who received Aid to the Blind before the federal SSI Program began in 1974, but who receive less from SSI than from the earlier program. New cases that meet the state's 1973 guideline also may be certified for Supplemental Aid to the Blind. All of these programs are funded from an earmarked state property tax that provides revenue to the Blind Pension Fund.

Community Services Block Grant (CSBG), Emergency Shelter Grants, Homeless Funding, and Refugee Assistance – CSBG funds are used to address six causes of poverty: unemployment, inadequate education, malnutrition, inadequate housing, unmet emergency needs, and poor use of income. Federal statutes require that 90 percent of CSBG funding be passed through to Community Action Agencies. The Emergency Shelter Grants Program provides grants to local governments to be used for renovation or conversion of buildings for emergency shelters and to help meet the cost of emergency shelter operations. Homeless Challenge Grants offer local communities matching funds to establish programs to combat homelessness. The Refugee Assistance Program provides services to help refugees overcome language barriers, acquire or adapt vocational skills, and adjust to their new environment.

Food Distribution – The federally funded Food Distribution Program enables Family Support to store, ship, and distribute processed surplus commodity food to eligible individuals, families, charitable institutions, and organizations.

Energy Assistance – The Low-Income Home Energy Assistance Program is a federally funded block grant which provides heating assistance payments and winter and summer crisis assistance to low-income households.

Domestic Violence – This program provides grants to local communities for family violence shelters or services. Grants may be used for emergency shelters, counseling, and education services for families in community-based shelters.

Services for the Visually Impaired - Professional staff in Rehabilitation Services for the Blind counsel and train blind and other visually impaired Missourians, arrange for the purchase of other services, and help the visually impaired find jobs. Services include rehabilitation, vocational rehabilitation, diagnosis and treatment of eye disease, equipment and supplies for blind preschool children, the Public Building Vending Program, and the Readers for the Blind Program.

DEPARTMENT OF SOCIAL SERVICES

FAMILY SUPPORT DIVISION (Continued)

Child Support Field Staff and Operations – Child Support Enforcement staff provide services to locate missing parents; establish paternity, medical support, and financial child support obligations; and enforce the collection of support payments for TANF and for non-TANF families that apply for child support services. The state retains approximately 36 percent of all child support collected on TANF cases.

Child Support Distributions – Distributions are made to reimburse counties that have signed a cooperative agreement with the Department of Social Services to provide judicial assistance in the establishment and enforcement of child support obligations. Child support collection and prosecution costs incurred by the counties are reimbursed by the federal government at a rate of 66 percent. This funding also supports contractual agreements with local governments to assist the division with paternity and other types of child support referrals through the establishment of multi-county, full-service centers. Counties pool resources to establish service centers dedicated to child support work.

Distributions are also made to families when the payment was collected by the department and to refund some overpayments from federal income tax refund intercepts. This appropriation also provides a mechanism for reimbursing non-custodial parents for child support payments over-collected from state income tax refund intercepts.

Fiscal Year 2010 Governor's Recommendations

- \$8,200,000 federal funds to convert paper case records to electronic case records.
- \$1,852,704 Blind Pension Fund to increase the monthly benefit payment to blind pension recipients from \$609 to \$651 per month.
- \$3,853,314 for pay plan, including \$1,316,544 general revenue.
- \$2,558,042 federal and other funds transferred from the Department of Economic Development for the Parents Fair Share Program.
- \$1,700,000 federal funds transferred from the Department of Economic Development for a pilot project in St. Louis County to increase work participation rates of Temporary Assistance recipients.
- \$60,000 federal funds reallocated from the MO HealthNet Division for contracted hospital-based caseworkers.
- (\$12,109,468) and (3.54) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$6,965,380) general revenue.
- (\$500,000) transferred to the Department of Corrections for a mentoring program specifically targeting the children of parents who are incarcerated, including (\$400,000) general revenue.
- (\$200,000) core reduction for one-time expenditures.

**DEPARTMENT OF SOCIAL SERVICES
CHILDREN'S DIVISION**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Children's Administration	\$ 6,778,946	\$ 7,337,176	\$ 7,255,020
Children's Field Staff and Operations	71,406,354	74,896,466	76,658,242
Child Welfare Accreditation	8,174,405	11,785,717	8,874,403
Children's Staff Training	1,469,403	1,510,841	1,334,762
Children's Treatment Services	12,166,936	12,476,238	11,976,238
Crisis Nursery	0	1,350,000	1,350,000
Teen Crisis Care	0	400,000	400,000
Foster Care	29,535,761	35,885,583	37,404,450
Adoption and Subsidized Guardianship	77,073,565	84,239,364	81,739,364
Adoption Resource Centers	294,000	300,000	300,000
Independent Living	3,000,000	4,050,000	4,050,000
Transitional Living	2,064,018	2,064,018	2,064,018
Children's Programs Pool	5,116,209	16,444,251	16,444,251
Child Assessment Centers	1,865,983	2,298,952	2,298,952
Residential Treatment/Psychiatric Diversion	94,960,623	58,650,903	52,844,115
Performance Based Case Management Contracts	26,835,838	22,070,066	25,157,066
IV-E Court Contracts	167,860	700,000	400,000
Child Abuse and Neglect Grant	125,941	188,316	188,316
Foster Care Children's Account	11,702,851	12,000,000	12,000,000
Purchase of Child Care	175,606,738	197,701,501	196,165,898
Child Welfare Abuse and Neglect Prevention	1,292,141	1,600,000	1,600,000
Child Abuse Prevention	291,000	300,000	300,000
TOTAL	\$ 529,928,572	\$ 548,249,392	\$ 540,805,095
General Revenue Fund	254,619,331	268,214,450	264,698,833
Federal Funds	244,690,134	253,257,562	249,438,839
Other Funds	30,619,107	26,777,380	26,667,423

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION (Continued)

Children's Administration – The Children's Division Administrative Services provides management, coordination, and general direction for all Children's Division programs. The division director and staff monitor the effectiveness of programs that promote safety, permanency, and well being for Missouri's children served by the Division. Administrative Services provides policy direction, financial management and operational services, and human resource support to field staff.

CD Field Staff and Operations/Staff Training/Child Welfare Accreditation – Provides funding and staff training for Children's Service workers and support staff to support the Children's Division (CD) programs in each of the 45 Judicial Circuits in the state. Front line staff respond to allegations of child abuse or neglect, provide assistance for families in need of services to keep or return children home safely, secure appropriate out of home placements for children placed in the Division's custody, and locate permanent homes when it is in the best interest of children.

In addition, the Children's Division is in the process of seeking accreditation by the Council on Accreditation (COA). According to Section 210.113, RSMo, it is the intent and goal of the General Assembly to have the Department (Children's Division) attain accreditation by COA within five years of the effective date of this section (i.e. by August 28, 2009). To achieve accreditation, Missouri's child welfare system is reviewed and measured against nationally-recognized standards of best practice established by COA.

Children's Treatment Services, Intensive In-Home Services, Crisis Nursery, Teen Crisis Care and Prevention programs – The Children's Treatment Services funding provides a variety of contracted services to child abuse victims and their parents. Specific services include family therapy, homemaker services, respite care, parent aides, child care, crisis nursery and teen crisis care services, and incentive subsidies to encourage local units of government to develop community programs to combat child abuse and neglect. Children's Treatment Services also provides funding for intensive, in-home services to help prevent placement of children in foster care and keep children with their families. Prevention programs such as Crisis Nursery Centers, Teen Crisis Care Centers, home visitation, and other prevention programs provide services for families and children to prevent child abuse and neglect (CA/N) and to divert children from the state's custody.

Foster Care, Children's Account, Adoption Subsidy, and Subsidized Guardianship – The Foster Care Program provides monthly room and board payments for children in the custody and care of the Children's Division. Current payment rates for homes of traditional foster parents, relatives, and kinship for age groups are as follows: 0-5 years, \$282; 6-12 years, \$335; and 13 and over, \$372. There are special placements with different rates, including Behavioral or Medical Foster Care (\$732 per month) and Career Foster Care (\$48 per day). Homes may also receive an additional \$100 per month, per child, for attending professional parenting classes. Fiscal Year 2010 recommendations include an average clothing allowance increase of \$140 per child. Payments also are made for non-Medicaid medical and dental services, clothing, transportation, foster parent training, and other needs. Children in state custody may receive funds from a variety of sources, including child support payments. These monies are used to offset the cost of maintaining the child in foster care and to pay for any special expenses of the child.

The Adoption Subsidy Program and Subsidized Guardianship Program provide financial assistance to parents who adopt or become legal guardians of special needs children, in order to move these children from foster care into permanent family arrangements.

Children's Programs Pool – This pooled appropriation allows flexible spending for Children's Program areas.

Child Assessment Centers – Child Assessment Centers (CACs) provide a child friendly setting where children, reported to have been sexually abused, can be interviewed by multi-disciplinary team members and receive a single medical examination.

Residential Treatment, Transitional Living, Independent Living, and Title IV-E Court Contracts – Residential facilities are used when foster family care cannot meet the children's treatment needs. The division contracts with a wide range of residential programs, ranging from small group homes to large, self-contained, resident campuses. Facilities must be licensed or be accredited by one of three nationally recognized accrediting organizations. Independent Living programs assist foster care children, ages 15 to 21, in learning the necessary skills for the transition from foster care to adult independent living in the community. Transitional Living placement programs assist foster care children ages 16 to 21 by placing youth in their communities with support services. Court contracts through the Title IV-E Program allow the Children's Division to pass through federal funds to be used for reimbursement to juvenile courts for children in the court's custody placed in juvenile court residential facilities.

Performance Based Case Management Contracts – The Children's Division contracts with private agencies to provide foster/adoption case management services to children who have been removed from their homes and are under the jurisdiction of the Juvenile Court. These children have been abused and/or neglected or were found to be at serious risk of such. The goal of the performance based case management contracts is to improve safety, stability, and timely permanency for these children, with states outcome expectations.

Purchase of Child Care – A key to successful welfare reform and the prevention of abuse and neglect is access to quality, affordable child care. Without child care assistance, many parents could not participate in job training, education, or maintain employment in order to become self-sufficient and end their dependence on government assistance. Without such assistance, the risk of children being left

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION (Continued)

in unsafe environments also increases. The Early Childhood Development, Education and Care Fund supports programs to improve the availability of, and access to, quality child care and programs that prepare children to enter school ready to succeed. Because children learn more from the ages of zero to five than during any other developmental period, the availability of quality child care is essential to preparing children for school.

Fiscal Year 2010 Governor's Recommendations

- \$3,449,034 to maintain child care eligibility limits at 127 percent of the federal poverty level and maintain a transitional benefit for incomes up to 139 percent of the federal poverty level.
- \$1,656,451 to increase the foster care clothing and diaper allowance, including \$1,326,926 general revenue.
- \$730,212 federal funds to replace general revenue savings due to increased foster care earnings.
- \$712,079 federal funds for an inflationary rate increase for providers of residential treatment services for abuse and neglected children.
- \$2,412,122 for pay plan, including \$1,580,194 general revenue.
- (\$16,374,606) and (two) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$9,852,686) general revenue.
- (\$29,589) transferred to the Office of Administration for leasing costs, including (\$19,085) general revenue.

DIVISION OF YOUTH SERVICES

The Division of Youth Services (DYS) is divided into three functional areas: Management and Development, Residential Services, and Alternative Services.

Management and Development is the central administrative unit with overall responsibility for designing, implementing, managing, and evaluating all programs operated by the division. Five regional offices work with central office staff to ensure program efficiency and effectiveness at the local level.

Residential Services provides youthful offenders with structured rehabilitation programs when placement at home is no longer an option. Educational Services provides academic and vocational education to youth in residential placement. The division has seven secure care facilities: Northwest Regional Youth Center in Jackson County, Hogan Street Youth Center in St. Louis City, Fulton Treatment Center in Callaway County, Mount Vernon Treatment Center in Lawrence County, Hillsboro Treatment Center in Jefferson County, Riverbend Treatment Center in Buchanan County, and Montgomery City Youth Treatment Center in Montgomery County. The division also operates 18 moderate care facilities and seven community-based facilities.

Alternative Services help youthful offenders adjust to community life and become law-abiding and productive citizens. The division provides several types of non-residential services: classification and case management; community care which includes day treatment, intensive supervision, family counseling, and alternative living; aftercare; and the Juvenile Court Diversion Program. Case management and classification involves evaluating youths' needs before they are assigned to one of the division's programs and managing their service delivery plan during their entire length of stay with the division. Community care involves treatment of youth in the community without the youth being placed in a DYS facility. Alternative living purchased by the division includes foster care and proctor care for juveniles who cannot return to their home. Day treatment programs provide education and treatment services for youth who continue to live at home. Family counseling is provided to strengthen the family structure, communication, and parenting. Intensive supervision provides mentoring to youth in the community. Aftercare is the provision of support services to help juveniles return to their families and communities as law-abiding and productive citizens. Finally, the Juvenile Court Diversion Program encourages local communities to develop programs to divert youth from commitment to DYS.

Fiscal Year 2010 Governor's Recommendations

- \$14,500,000 federal funds and 441.35 staff to replace general revenue savings due to increased Medicaid earnings.
- \$417,167 federal funds for contractual staff to submit new Medicaid claims earned from behavioral treatment services.
- \$153,664 for a 5.5 percent increase in food inflation.
- \$1,425,157 for pay plan, including \$806,445 general revenue.
- (\$14,609,647) and (446.35) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$520,000) DSS Educational Improvement Fund core reduction for one-time expenditures.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Administrative Services	\$ 56,336,602	\$ 135,147,157	\$ 97,419,222
MO HealthNet Vendor Payments and Managed Care	5,002,091,033	5,563,604,443	6,100,240,854
State Medical	27,732,719	30,234,821	31,159,926
Health Care Technology	2,085,000	15,062,500	2,500,000
TOTAL	\$ 5,088,245,354	\$ 5,744,048,921	\$ 6,231,320,002
General Revenue Fund	1,025,206,519	1,186,350,372	1,260,153,861
Title XIX -Federal and Other Funds	2,342,721,055	2,833,135,915	3,176,600,774
DSS - Federal and Other Funds	41,157,195	82,582,683	77,398,411
Uncompensated Care Fund	91,061,737	91,000,001	91,000,001
Pharmacy Rebates Fund	80,454,327	67,955,528	82,155,527
Third Party Liability Collections Fund	19,530,853	23,178,128	21,689,306
Federal Reimbursement Allowance Fund	1,094,302,176	1,022,434,493	1,122,837,254
Pharmacy Reimbursement Allowance Fund	31,701,119	31,933,855	42,845,040
MO HealthNet Managed Care Organization Reimbursement Allowance Fund	46,872,202	46,983,825	11,745,956
Nursing Facility Federal Reimbursement Allowance Fund	202,697,201	214,021,731	214,021,731
Nursing Facility Quality of Care Fund	77,304	540,794	93,211
Health Initiatives Fund	19,330,153	26,058,637	19,567,750
Healthy Families Trust Fund	64,169,460	64,779,494	64,779,494
Life Sciences Research Trust Fund	21,750,000	28,725,000	24,974,651
Missouri Rx Plan Fund	1,628,249	10,730,525	10,752,429
Premium Fund	5,585,804	13,637,940	10,704,606

ADMINISTRATIVE SERVICES

The MO HealthNet Division is an intermediary for provision of services to participants, including both participants and providers. The agency's structure includes two major sections: (1) Finance and Operations and (2) Clinical Services.

Finance and Operations work to incorporate the newest and best technology to accurately and efficiently pay providers in a paperless environment. Technology is a robust reporting function that is critical to the management responsibilities of the division. The resultant database of paid claims is used to monitor the programs, provide program integrity, and compile data to project financial needs and trends. Provider enrollment and relations, participant services, and premium collections are also functions under the Finance and Operations section.

The Clinical Services section oversees pharmacy enhancement and rebates, the exception program, the psychology program, and the Missouri Rx Plan. Program development and the driving force of policy decisions come from the Clinical Services section, allowing for policy decisions and processes to be oriented to the health and continuum of care needed by participants. The Clinical Services unit reaches out to organizations through existing contracts, such as the University of Missouri Health Management Team, to assist in needed data mining and analysis. This information is used to make informed decisions about the consequences of proposed changes. The process allows for examination and analysis of performance in terms of efficiency of operations and anticipated health status outcomes. Utilizing a variety of sources, the Clinical Services unit establishes best practices based on evidence-based reviews. Missouri collaborates with other state Medicaid agencies to make high-quality evidence available as a basis for making policy decisions about benefit design and coverage.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

ADMINISTRATIVE SERVICES (Continued)

Fiscal Year 2010 Governor's Recommendations

- \$2,187,500 to support CyberAccess and electronic prior authorization of durable medical equipment originally funded with one-time Health Care Technology Funds.
- \$1,750,000 federal funds for enhanced match rate of clinical services.
- \$316,038 and four staff for the program integrity unit to increase reviews of all providers, including \$158,019 general revenue.
- \$313,866 for pay plan, including \$114,341 general revenue.
- \$5,110 core reallocated from pharmacy program.
- (\$42,235,339) and (four) staff core reduction from FY 2009 appropriation level, including (\$15,673,647) general revenue.
- (\$65,110) federal and other funds core reallocated to various divisions in the department.

MEDICAID VENDOR PAYMENTS AND MANAGED CARE

The Medicaid Program (Title XIX of the Social Security Act) is a federal-state effort to pay the health care of those who cannot pay for their own care. Federal law sets the minimum provisions for any state that opts to administer a Medicaid program. These include hospital; physician; Early and Periodic Screening, Diagnostic and Treatment (EPSDT); lab and x-ray; skilled nursing home care; home health care; Federally Qualified Health Centers; rural health clinics; non-emergency transportation; and family planning services.

The 1115 Waiver is a federal-state effort to pay for women's health services. The SCHIP State Plan is the federal-state effort to pay for the health care of uninsured children above existing Medicaid eligibility limits up to 300 percent of the federal poverty level. Children will receive a benefit package equal to Medicaid coverage, though non-emergency medical transportation is not available to children in families with income above 150 percent of the federal poverty level.

**MEDICAID EXPENDITURES
SELECTED SERVICES AND ANNUAL TOTALS**

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Pharmacy	\$ 783,633,061	\$ 979,732,959	\$ 1,176,528,212
Physicians	464,263,706	488,755,007	513,765,163
Dental	10,163,381	13,201,986	13,511,118
Premium Payments	144,069,361	148,162,552	157,776,954
Nursing Facilities and Home Health	546,825,057	619,869,151	618,741,857
Rehabilitation and Specialty Services	190,195,189	249,162,538	253,675,368
Managed Care	949,937,902	1,112,794,035	1,153,155,773
Hospital Care	662,153,045	697,593,493	835,718,638
Safety Net Hospitals	3,948,066	8,000,000	8,000,000
FRA and NFFRA	1,066,180,005	965,840,231	1,029,175,009
Health Care Access	2,497,733	13,126,786	13,296,086
Children's Health Insurance Program	109,470,234	187,544,853	247,877,254
Department of Elementary and Secondary Education Services	23,721,462	33,369,908	33,369,908
MO HealthNet Supplemental Pool	34,987,001	35,698,085	35,698,084
Other MO HealthNet	10,045,830	10,752,859	9,951,430
Total	\$ 5,002,091,033	\$ 5,563,604,443	\$ 6,100,240,854

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

MEDICAID VENDOR PAYMENTS AND MANAGED CARE (Continued)

Fiscal Year 2010 Governor's Recommendations

- \$142,991,585 for coverage of 34,800 parents up to 50 percent federal poverty level, including \$14,154,364 general revenue.
- \$100,400,000 Federal Reimbursement Allowance Fund to align the program with planned expenditures.
- \$81,808,277 to provide coverage for an additional 27,609 children, including \$22,797,669 general revenue.
- \$71,804,403 to apply a 7.5 percent pharmacy trend factor and a 7.6 percent non-pharmacy trend factor for both utilization and cost component increases for managed care in the eastern, central, and western regions, including \$25,171,809 general revenue.
- \$70,633,648 to address the anticipated increases in the Pharmacy Program due to new drugs, therapies, utilization, and inflation, including \$10,756,127 general revenue.
- \$70,268,857 to fund caseload growth for the Permanently and Totally Disabled (PTD) and Qualified Medical Beneficiary (QMB), including \$25,170,304 general revenue.
- \$48,721,448 federal funds for an adjustment to address the change in the Medicaid federal participation percentage.
- \$35,698,084 to fund additional hospital program cost, including \$12,787,054 general revenue.
- \$30,063,600 federal and other funds to support the new Pharmacy provider tax methodology.
- \$22,331,250 to replace the Managed Care Reimbursement Allowance Fund authority.
- \$13,997,035 for increased clawback payments for Medicare Part D drug coverage.
- \$4,044,774 for anticipated increases in Medicare Part A and B premiums, including \$1,436,403 general revenue.
- \$3,750,349 to replace Life Sciences Research Trust Fund authority in the pharmacy program.
- \$2,654,932 for an inflation cost and utilization increase to the non-emergency medical transportation rate, including \$950,997 general revenue.
- \$995,300 to rebase PACE rates as required by federal regulation, including \$356,516 general revenue.
- \$396,646 for anticipated increases to Medicare hospice rates, including \$142,023 general revenue.
- \$5,110 Pharmacy Rebates Fund reallocated from Administrative Services.
- (\$80,612,418) core reductions from the Fiscal Year 2009 appropriation level, including (\$265,000) general revenue.
- (\$48,721,448) core reduction for an adjustment to address the change in the Medicaid federal participation percentage.
- (\$34,389,911) core reduction from program lines to align appropriation authority with anticipated expenditures, including (\$12,510,781) general revenue.
- (\$200,000) core reduction of one-time expenditures, including (\$150,000) general revenue.
- (\$5,110) reallocated to Administrative Services.

STATE MEDICAL

The Medicaid Program allows individuals who do not meet categorical eligibility criteria for Title XIX to receive nearly all of the same services which are reimbursed for Title XIX eligibles, including non-institutional, nursing facility, and hospital care. These individuals include Child Welfare Services, Blind Pension, Presumptive Eligibility for Pregnant Women recipients, and youth in the custody of the Division of Youth Services.

Fiscal Year 2010 Governor's Recommendations

- \$925,105 to address the rising costs in the Pharmacy Program due to new drugs, therapies, utilization, and inflation.

HEALTH CARE TECHNOLOGY

Health care technology funding supports projects that promote the use of technology in health care, and create data automation systems that provide critical information about the population served. These initiatives also improve the delivery of care, reduce administrative burdens, and reduce waste, fraud, and abuse.

Fiscal Year 2010 Governor's Recommendations

- (\$12,562,500) core reduction of the Health Care Technology Fund Transfer, including (\$6,062,500) general revenue.

OFFICE OF THE CHIEF EXECUTIVE

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDED FY 2010
Governor's Office and Mansion	\$ 2,085,798	\$ 2,148,371	\$ 2,206,881
National Guard Emergency	160,740	1	1
Special Audits	0	200,000	30,000
Governmental Emergency Fund	0	1	1
TOTAL			
General Revenue Fund	\$ 2,246,538	\$ 2,348,373	\$ 2,236,883
Full-time equivalent employees	32.95	34.00	34.00

GOVERNOR'S OFFICE AND MANSION

Article IV, Section 1 of the Missouri Constitution describes the duties and responsibilities of the Governor. This program includes the statutory salary of the Governor, funds for personnel in the Governor's offices and the mansion, and the expense and equipment costs for the offices and mansion.

Fiscal Year 2010 Governor's Recommendations

- \$58,510 for pay plan.

NATIONAL GUARD EMERGENCY/HOMELAND SECURITY

The Missouri National Guard, when called to active duty by the Governor under Section 41.480, RSMo, has the authority to restore law and order and assist in the disaster relief of any section of the state where circumstances exceed the resources of local civil authorities. The most common use of the guard has been for cleanup and security following natural disasters, such as a flood or tornado, and public action during a time of local disorder.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

SPECIAL AUDITS

Section 26.060, RSMo, authorizes the Governor to call for special audits of any entity receiving state funds when the public interest of the state will be served.

Fiscal Year 2010 Governor's Recommendations

- (\$170,000) core reduction for one-time expenditures.

GOVERNMENTAL EMERGENCY FUND COMMITTEE

Sections 33.700 through 33.730, RSMo, create the Governmental Emergency Fund Committee and allocation procedures for appropriations of emergency funds. Funds from this appropriation may be allocated by a majority vote of the Governmental Emergency Fund Committee members for the purpose of meeting emergency and unanticipated requirements. The committee consists of the Governor, Commissioner of Administration, the chair and ranking minority member of the Senate Appropriations Committee, the chair and ranking minority member of the House Appropriations Committee, and the director of the Division of Facilities Management, Design and Construction who serves as an ex-officio consultant to the committee.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

ELECTED OFFICIALS

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDED* FY 2010
Office of the Chief Executive	\$ 2,246,538	\$ 2,348,373	\$ 2,236,883
Lieutenant Governor	718,758	1,051,361	763,009
Secretary of State	39,065,383	49,697,357	52,396,496
State Auditor	7,144,278	8,655,980	9,160,083
State Treasurer	37,259,586	26,466,069	26,530,135
Attorney General	26,702,647	28,390,431	29,585,236
TOTAL	\$ 113,137,190	\$ 116,609,571	** \$ 120,671,842
General Revenue Fund	53,129,921	50,843,746	51,398,881
Federal Funds	6,227,288	9,336,311	9,451,095
National Endowment for the Humanities Fund	115,319	241,949	249,207
Election Administration Improvement Fund	3,861,923	13,574,158	13,581,994
Election Improvement Revolving Loan Fund	179,648	396,185	396,185
State Treasurer's General Operations Fund	1,700,938	1,824,020	1,870,621
Treasurer's Information Fund	292	8,000	8,000
Secretary of State's Technology Trust Fund Account	2,932,844	3,526,568	6,414,571
Gaming Commission Fund	136,846	140,029	143,308
Central Check Mailing Service Revolving Fund	98,707	247,978	248,667
Natural Resources Protection Fund - Water Pollution Permit Fee Subaccount	40,261	41,327	42,425
Solid Waste Management Fund	40,761	41,827	42,925
Local Records Preservation Fund	1,154,337	1,965,665	1,993,761
Petroleum Storage Tank Insurance Fund	24,372	25,108	25,861
Motor Vehicle Commission Fund	48,351	49,467	50,612
Health Spa Regulatory Fund	5,000	5,000	5,000
Natural Resources Protection Fund - Air Pollution Permit Fee Subaccount	40,237	41,302	42,400
Attorney General's Court Costs Fund	187,000	187,000	187,000
Conservation Commission Fund	44,349	45,651	46,942
Parks Sales Tax Fund	20,870	21,496	22,141
Soil and Water Sales Tax Fund	34,233	35,192	36,180
Merchandising Practices Revolving Fund	1,675,679	2,566,162	2,586,773
Petition Audit Revolving Trust Fund	265,018	844,350	868,732
Workers' Compensation Fund	384,559	468,101	476,023
Workers' Compensation Fund - Second Injury Fund	2,816,586	2,889,840	2,945,785
Lottery Enterprise Fund	53,647	55,256	56,914
Hazardous Waste Fund	290,221	298,481	306,989
Safe Drinking Water Fund	14,134	14,489	14,856
Missouri Office of Prosecution Services Funds	806,997	2,170,441	2,179,640
Investors Restitution Fund	574,620	55,000	55,000
Attorney General Trust Fund	3,336,102	1	1
Inmate Incarceration Reimbursement Act Revolving Fund	121,581	137,584	140,342
Investor Education and Protection Fund	689,591	760,666	1,207,902
State Document Preservation Fund	6,621	189,260	189,260
Abandoned Fund Account	32,054,618	23,341,001	23,356,523
Mined Land Reclamation Fund	14,105	14,459	14,825
Missouri State Archives - St. Louis Trust Fund	0	1	1
Secretary of State - Wolfner State Library Fund	9,614	206,500	14,500

* By comity and tradition, statewide elected officials' budget proposals are submitted without change in the Governor's recommended budget. Accordingly, inclusion of those requests for new funding should not be construed to be an endorsement of the requests.

** Does not include \$44,067 recommended in the Fiscal Year 2009 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the State Auditor supplemental appropriations.

LIEUTENANT GOVERNOR

Article IV, Section 10 of the Missouri Constitution describes the duties and responsibilities of the Lieutenant Governor. The statutory salary of the Lieutenant Governor and funds for the personnel and expense and equipment costs in operating the Office of the Lieutenant Governor are included in this program. The Lieutenant Governor presides over the Senate, is the Chair of the Missouri Rx Program, the Co-Chair of the Personal Independence Commission, and the Secretary of the Board of Public Buildings and serves on the Missouri Development Finance Board, the Missouri Housing Development Commission, and the Second State Capitol Commission.

Proposition C, passed by voters in November 1992, established the Office of Advocacy and Assistance for the Elderly in the Lieutenant Governor's Office. The proposition also made the Lieutenant Governor a member of the Tourism, Economic Development, and Fund Commissioners boards and an advisor for educational programs.

Fiscal Year 2010 Governor's Recommendations

- \$11,648 for pay plan.
- (\$300,000) core reduction for one-time expenditures.

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDED FY 2010
Personal Service	\$ 371,555	\$ 388,286	\$ 399,934
Expense and Equipment	347,203	63,075	362,075
Program Specific Distribution	0	600,000	1,000
TOTAL			
General Revenue Fund	\$ 718,758	\$ 1,051,361	\$ 763,009
Full-time equivalent employees	6.38	8.50	8.50

SECRETARY OF STATE

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDED FY 2010
Administration	\$ 16,378,661	\$ 17,462,253	\$ 21,645,325
Elections	11,388,767	19,655,738	18,164,547
Record Preservation Programs	355,823	846,210	853,468
Missouri Library Programs	10,942,132	11,733,156	11,733,156
TOTAL	\$ 39,065,383	\$ 49,697,357	\$ 52,396,496
PERSONAL SERVICE			
General Revenue Fund	7,465,533	7,794,550	8,028,386
Federal Funds	431,165	629,065	647,939
National Endowment for the Humanities Fund	115,319	241,949	249,207
Election Administration Improvement Fund	157,648	261,191	269,027
Secretary of State's Technology Trust Fund Account	216,041	246,009	253,390
Local Records Preservation Fund	718,329	1,042,516	1,073,792
Investor Education and Protection Fund	357,662	400,302	562,538
State Document Preservation Fund	3,556	0	0
EXPENSE AND EQUIPMENT			
General Revenue Fund	6,438,336	6,997,759	6,287,759
Federal Funds	844,645	830,487	830,487
Election Administration Improvement Fund	2,317,635	5,499,990	5,499,990
Secretary of State's Technology Trust Fund Account	2,716,803	3,280,559	6,161,181
Local Records Preservation Fund	204,972	523,149	519,969
Investor Education and Protection Fund	331,929	360,364	645,364
State Document Preservation Fund	3,065	25,000	25,000
Secretary of State - Wolfner State Library Fund	9,614	206,500	14,500
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	12,630,257	10,167,457	10,137,457
Federal Funds	1,730,930	2,362,087	2,362,087
Local Records Preservation Fund	231,036	400,000	400,000
Election Administration Improvement Fund	1,386,640	7,812,977	7,812,977
Election Improvement Revolving Loan Fund	179,648	396,185	396,185
Investors Restitution Fund	574,620	55,000	55,000
Missouri State Archives - St. Louis Trust Fund	0	1	1
State Document Preservation Fund	0	164,260	164,260
TOTAL	\$ 39,065,383	\$ 49,697,357	\$ 52,396,496
General Revenue Fund	26,534,126	24,959,766	24,453,602
Federal Funds	3,006,740	3,821,639	3,840,513
National Endowment for the Humanities Fund	115,319	241,949	249,207
Election Administration Improvement Fund	3,861,923	13,574,158	13,581,994
Election Improvement Revolving Loan Fund	179,648	396,185	396,185
Secretary of State's Technology Trust Fund Account	2,932,844	3,526,568	6,414,571
Local Records Preservation Fund	1,154,337	1,965,665	1,993,761
Investors Restitution Fund	574,620	55,000	55,000
Investor Education and Protection Fund	689,591	760,666	1,207,902
Missouri State Archives - St. Louis Trust Fund	0	1	1
State Document Preservation Fund	6,621	189,260	189,260
Secretary of State - Wolfner State Library Fund	9,614	206,500	14,500
Full-time equivalent employees	263.95	277.30	280.30

ELECTED OFFICIALS SECRETARY OF STATE

ADMINISTRATION

The Office of the Secretary of State is organized as follows:

Administrative Services – provides central budgeting, payroll, human resources, accounting, supplies, and mailroom services for all areas of the office. Responsibilities also include publication of the official manual of the State of Missouri, the Constitution, corporation laws, securities laws, the uniform commercial code manual, notary public laws, trademark laws, primary election returns, and the state and general assembly roster.

Elections Services – prepares ballots, certifies candidates, canvasses election returns, certifies initiative petitions, and maintains the statewide voter registration database.

Record Services – provides for the maintenance, retention, preservation, and disposal of official records of the state and local governments of Missouri.

Administrative Rules and Legal Services – serves as the central filing office for all rules and regulations promulgated by departments of the State of Missouri.

Securities Services – works to protect Missouri investors from fraud and maintains an orderly securities market in the state. The Securities Commissioner administers the Missouri Uniform Securities Act.

Business Services – administers the laws and filings of corporations and non-profit organizations. The division is the central filing office and custodian of all filings on business and professional loans. Additionally, the division commissions public notaries.

Missouri State Library – supports or works in concert with public, academic, and institutional libraries of the state with grant support, consultant services, development of criteria for establishment of libraries, collection development, and resource sharing. The library serves as a research and reference library for state government and the legislature and as the central outlet for census data information.

Wolfner Library for the Blind and Physically Handicapped – provides a variety of Braille, large print books, talking books recorded on cassette and discs, as well as cassette and disc playback equipment for eligible blind, visually impaired, physically disabled, and learning disabled citizens. The federal government, through the National Library Service, provides production of the materials, equipment, and postal charges for their distribution. The State of Missouri pays for staffing and the cost of housing the collections of material and equipment for staff to operate the service.

Fiscal Year 2010 Governor's Recommendations

- \$3,300,000 Secretary of State's Technology Trust Fund Account to replace the current automated business filing system.
- \$490,000 to prepare, publish, and distribute the official manual for the state.
- \$435,228 Investor Education and Protection Fund and three staff to expand investor education and protection services.
- \$311,211 for pay plan, including \$233,836 general revenue.
- \$261,191 federal funds and six staff reallocated from Elections.
- (\$611,378) other funds core reduction for one-time expenditures.
- (\$3,180) Local Records Preservation Fund transferred to the Office of Administration for leasing costs.

ELECTIONS

Initiative, Referendum, and Constitutional Amendments Expenses – funds are provided to allow for the publication of the texts of initiative petitions and referendums in newspapers prior to their consideration by the electorate of the State of Missouri. Payments are made in accordance with Chapter 125, RSMo, for constitutional amendments and Chapter 126, RSMo, for initiative petitions and referendums.

Absentee Ballots – funds are provided to allow for fees and costs for establishing and maintaining the business reply and postage-free mail for absentee envelopes returned by voters, in accordance with Section 115.285, RSMo.

**ELECTED OFFICIALS
SECRETARY OF STATE**

ELECTIONS (Continued)

Election Printing and Federal Election Reform – provisional ballot envelopes must be provided for local election authorities to use in elections of federal candidates, statewide candidates, or statewide issues. In addition, the Elections Division must print and distribute voter registration applications in accordance with federal laws.

Fiscal Year 2010 Governor's Recommendations

- (\$1,230,000) core reduction for one-time expenditures.
- (\$261,191) federal funds and (six) staff reallocated to Administration.

RECORD PRESERVATION PROGRAMS

Local Records Grants – these funds are user fees designated for local records preservation. Missouri local governments submit proposals that address their specific needs in archive/records management. The Historical Records Advisory Board in concert with the Local Records Program Fiscal Grants Officer will establish priorities, implement, and audit the return of money to local governments.

Document Preservation – these funds are private donations designated for preservation of documents of legal, historical, and genealogical importance to the State of Missouri.

Fiscal Year 2010 Governor's Recommendations

- \$7,258 federal funds for pay plan.

MISSOURI LIBRARY PROGRAMS

State Aid for Public Libraries – the Missouri Constitution authorizes the state to support and aid public libraries. Consistent with this authority and the procedure set out in Section 181.060, RSMo, the Missouri State Library distributes funds to eligible public libraries on the basis of population served by the library district. A public library becomes eligible for participation if it has voted a local tax of at least ten cents per one hundred dollars assessed valuation. Local libraries use state funds to supplement local support.

Remote Electronic Access for Libraries – the Remote Electronic Access for Libraries (REAL) project is designed to connect all public libraries in Missouri to each other and the Internet through dedicated data connections. Library patrons will have quick access to resources beyond those available solely within their community.

Literacy Investment for Tomorrow – the Missouri State Library serves as fiscal agent for the state literacy resource center, Literacy Investment for Tomorrow (LIFT) in St. Louis. The center promotes and develops resources for organizations that provide literacy services.

Federal Aid for Public Libraries – the Missouri State Library administers federal grants under the federal Library Services and Construction Act. The library distributes funds to local public libraries for personnel, books, other library materials, and for general operating expenses to develop and improve library services. In addition, funds are available to local groups of libraries for improving local library cooperation. All costs for cooperative projects, except book purchases and building construction, are eligible for funding.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

STATE AUDITOR

The State Auditor's Office works to ensure the proper use of public funds and to improve the efficiency and effectiveness of Missouri government by performing audits of state agencies, boards and commissions, the circuit court system, third-class counties, and other political subdivisions upon petition by the voters. These audits examine financial accountability, waste, opportunities for fraud, and whether government organizations and programs are achieving their purposes and operating economically and efficiently. All audits are performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. The audit reports are delivered to the Governor, the General Assembly, the auditee, and interested citizens. The State Auditor also provides an annual audit of the state's comprehensive annual financial report and federal grant programs administered by the state, reviews and registers general obligation bond issues of the state's political subdivisions, prepares fiscal notes for ballot initiatives, performs an Annual Forfeiture Report, and reviews property tax rates proposed by political subdivisions for compliance with state law.

Fiscal Year 2010 Governor's Recommendations

- \$109,523 for the certification of property tax rates as required pursuant to SB 711 (2008).
- \$103,402 to annually audit the Gaming Proceeds for Education Fund and the Schools First Elementary and Secondary Education Fund as required pursuant to Proposition A (2008).
- \$59,976 for increased mileage reimbursement costs.
- \$231,202 for pay plan, including \$189,794 general revenue.

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDED FY 2010
PERSONAL SERVICE			
General Revenue Fund	\$ 5,670,770	\$ 6,326,415	\$ 6,715,858
Federal Funds	337,070	482,270	496,738
Conservation Commission Fund	41,786	43,040	44,331
Parks Sales Tax Fund	20,870	21,496	22,141
Soil and Water Sales Tax Fund	20,124	20,728	21,350
Petition Audit Revolving Trust Fund	233,454	812,734	837,116
EXPENSE AND EQUIPMENT			
General Revenue Fund	769,540	884,947	958,199
Federal Funds	16,537	30,123	30,123
Conservation Commission Fund	2,563	2,611	2,611
Petition Audit Revolving Trust Fund	31,564	31,616	31,616
TOTAL	\$ 7,144,278	\$ 8,655,980	\$ 9,160,083
General Revenue Fund	6,440,310	7,211,362	7,674,057
Federal Funds	353,607	512,393	526,861
Conservation Commission Fund	44,349	45,651	46,942
Parks Sales Tax Fund	20,870	21,496	22,141
Soil and Water Sales Tax Fund	20,124	20,728	21,350
Petition Audit Revolving Trust Fund	265,018	844,350	868,732
Full-time equivalent employees	127.47	168.77	168.77

STATE TREASURER

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDED FY 2010
Administration	\$ 3,255,419	\$ 2,966,068	\$ 3,030,134
Issuing Duplicate and Outlawed Checks	962,285	1,000,000	1,000,000
Abandoned Fund Account	33,041,882	22,500,001	22,500,001
TOTAL	\$ 37,259,586	\$ 26,466,069	\$ 26,530,135
PERSONAL SERVICE			
State Treasurer's General Operations Fund	1,447,674	1,553,365	1,599,966
Central Check Mailing Service Revolving Fund	22,019	22,978	23,667
Workers' Compensation Fund - Second Injury Fund	40,572	41,789	43,043
Abandoned Fund Account	489,226	517,401	532,923
EXPENSE AND EQUIPMENT			
State Treasurer's General Operations Fund	253,264	270,655	270,655
Treasurer's Information Fund	292	8,000	8,000
Central Check Mailing Service Revolving Fund	76,688	225,000	225,000
Workers' Compensation Fund - Second Injury Fund	3,271	3,280	3,280
Abandoned Fund Account	922,413	323,600	323,600
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	3,361,188	1,000,001	1,000,001
Abandoned Fund Account	30,642,979	22,500,000	22,500,000
TOTAL	\$ 37,259,586	\$ 26,466,069	\$ 26,530,135
General Revenue Fund	3,361,188	1,000,001	1,000,001
State Treasurer's General Operations Fund	1,700,938	1,824,020	1,870,621
Treasurer's Information Fund	292	8,000	8,000
Central Check Mailing Service Revolving Fund	98,707	247,978	248,667
Workers' Compensation Fund - Second Injury Fund	43,843	45,069	46,323
Abandoned Fund Account	32,054,618	23,341,001	23,356,523
Full-time equivalent employees	48.66	49.40	49.40

ADMINISTRATION

The State Treasurer is responsible for receiving and investing state moneys, posting receipts to the proper funds, and signing warrants drawn according to law. As custodian of those funds, the Treasurer determines the amount of state moneys not needed for current operating expenses and invests those funds in interest-bearing time deposits in Missouri banking institutions or in short-term United States government obligations. The Treasurer is required to give due consideration to the preservation of state funds and the comparative yields available. The Treasurer also must determine whether the general welfare of the state is better served by investing state funds in United States securities or within the Missouri banking system.

The Treasurer also administers the state's unclaimed property law by collecting unclaimed or abandoned funds and property belonging to Missouri citizens and trying to locate the owners.

Fiscal Year 2010 Governor's Recommendations

- \$64,066 other funds for pay plan.

**ELECTED OFFICIALS
STATE TREASURER**

ISSUING DUPLICATE AND OUTLAWED CHECKS

These functions allow payment of claims against the state in cases where checks are not presented for payment within 12 months of issuance as required by law and in cases where checks are presented for payment more than five years after the date of issuance.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

ABANDONED FUND ACCOUNT

In accordance with Section 447.543, RSMo, the Abandoned Fund Account has the two-fold purpose of receiving funds that have remained unclaimed for a period of seven years and making the payment of valid claims. Any time the fund exceeds \$50,000, the Treasurer may, and at least once every year shall, transfer the excess to general revenue. If verified claims for payment should reduce the balance in the account to less than \$25,000, the Treasurer shall transfer from general revenue an amount sufficient to restore the fund to \$50,000.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

ATTORNEY GENERAL

The Attorney General takes legal action to protect the rights and interests of the state, defends or prosecutes appeals to which the state is a party, provides opinions regarding state law, and assists prosecuting attorneys in the prosecution of cases. The Office of the Attorney General has several responsibilities for which specific funds have been established by law.

Section 27.080, RSMo, establishes the Attorney General's Court Costs Fund to receive deposits and make payments of court costs in litigation requiring the appearance of the Attorney General. This fund is supplemented by a transfer from general revenue.

Section 416.081, RSMo, creates the Antitrust Revolving Fund which is made up of deposits of ten percent of any court settlement of antitrust litigation involving the Attorney General. This fund is supplemented by a transfer from general revenue.

Chapter 287, RSMo, provides for the Attorney General to charge the Second Injury Fund for the cost of defending the fund.

Section 56.750, RSMo, establishes the Missouri Office of Prosecution Services within the Attorney General's Office. The Prosecution Services Office is funded through fees assessed as court costs in criminal cases. The office was established to develop uniform training and procedures for Missouri's prosecuting attorneys.

Sections 407.1070 to 407.1085, RSMo, establish a no-call database to be maintained by the Attorney General for citizens who object to receiving telephone solicitations at home.

Fiscal Year 2010 Governor's Recommendations

- \$343,750 for the Missouri Office of Prosecution Services to support and maintain the automated case management and criminal history reporting system for county prosecutors.
- \$178,131 for the development of a database tool for charging sex offenders for the Missouri Office of Prosecution Services.
- \$107,900 and one staff for a domestic violence resource attorney in the Missouri Office of Prosecution Services.
- \$565,024 for pay plan, including \$368,665 general revenue.

ELECTED OFFICIALS

ATTORNEY GENERAL (Continued)

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDED FY 2010
Administration	\$ 25,677,834	\$ 25,149,135	\$ 25,699,394
Missouri Office of Prosecution Services	1,024,813	3,241,296	3,885,842
TOTAL	\$ 26,702,647	\$ 28,390,431	\$ 29,585,236
PERSONAL SERVICE			
General Revenue Fund	11,844,943	12,288,827	12,730,392
Federal Funds	2,096,650	2,669,198	2,796,214
Gaming Commission Fund	122,684	109,282	112,561
Merchandising Practices Revolving Fund	727,470	687,036	707,647
Workers' Compensation Fund	368,297	264,048	271,970
Workers' Compensation Fund - Second Injury Fund	1,857,552	1,823,045	1,877,736
Missouri Office of Prosecution Services Funds	245,078	290,015	315,845
Hazardous Waste Fund	275,340	283,601	292,109
Other Funds	370,414	356,904	367,611
EXPENSE AND EQUIPMENT			
General Revenue Fund	1,744,883	1,749,256	2,306,137
Federal Funds	770,291	2,081,182	2,035,608
Gaming Commission Fund	14,162	30,747	30,747
Attorney General's Court Costs Fund	186,957	187,000	187,000
Merchandising Practices Revolving Fund	948,066	1,879,126	1,879,126
Workers' Compensation Fund	16,262	204,053	204,053
Workers' Compensation Fund - Second Injury Fund	915,143	1,020,726	1,020,726
Missouri Office of Prosecution Services Funds	558,399	1,840,426	1,823,795
Hazardous Waste Fund	14,881	14,880	14,880
Other Funds	3,382,246	83,380	83,380
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	239,175	234,800	234,800
Federal Funds	0	251,899	251,899
Attorney General's Court Costs Fund	43	0	0
Merchandising Practices Revolving Fund	143	0	0
Workers' Compensation Fund - Second Injury Fund	48	1,000	1,000
Missouri Office of Prosecution Services Funds	3,520	40,000	40,000
TOTAL	\$ 26,702,647	\$ 28,390,431	\$ 29,585,236
General Revenue Fund	13,829,001	14,272,883	15,271,329
Federal Funds	2,866,941	5,002,279	5,083,721
Gaming Commission Fund	136,846	140,029	143,308
Attorney General's Court Costs Fund	187,000	187,000	187,000
Merchandising Practices Revolving Fund	1,675,679	2,566,162	2,586,773
Workers' Compensation Fund	384,559	468,101	476,023
Workers' Compensation Fund - Second Injury Fund	2,772,743	2,844,771	2,899,462
Missouri Office of Prosecution Services Funds	806,997	2,170,441	2,179,640
Hazardous Waste Fund	290,221	298,481	306,989
Other Funds	3,752,660	440,284	450,991
Full-time equivalent employees	422.82	437.05	438.05

JUDICIARY

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Supreme Court and State Sentencing				
Advisory Commission	\$ 8,263,507	\$ 8,884,776	\$ 9,241,526	\$ 8,583,303
Office of State Courts Administrator	23,279,485	25,965,168	28,199,814	25,510,570
Court of Appeals	10,569,344	10,874,350	11,638,632	10,796,845
Circuit Courts	134,066,628	138,213,189	155,079,523	138,263,972
Drug Courts	5,225,500	5,725,500	10,177,429	5,725,500
Commission on Retirement, Removal, and Discipline of Judges	201,379	220,644	220,644	225,984
Appellate Judicial Commission	7,740	7,741	7,741	7,741
TOTAL	\$ 181,613,583	\$ 189,891,368	\$ 214,565,309	\$ 189,113,915
General Revenue Fund	163,977,569	168,964,851	193,864,181	168,228,581
Federal Funds	6,351,553	10,408,187	10,408,187	10,535,501
Third Party Liability Collections Fund	263,143	380,563	380,563	388,138
Statewide Court Automation Fund	4,829,425	4,446,202	4,446,202	4,493,033
Supreme Court Publications Revolving Fund	102,476	150,000	150,000	150,000
Missouri CASA Fund	81,884	100,000	100,000	100,000
Crime Victims' Compensation Fund	887,200	887,200	887,200	887,200
Circuit Courts Escrow Fund	1,328,935	505,500	505,500	505,500
Legal Services for Low-Income People Fund	0	225,389	0	0
Basic Civil Legal Services Fund	3,417,087	3,293,476	3,293,476	3,295,962
State Court Administration Revolving Fund	176,257	230,000	230,000	230,000
Domestic Relations Resolution Fund	198,054	300,000	300,000	300,000
Full-time equivalent employees	3,336.34	3,405.05	3,764.91	3,273.10

DEPARTMENT SUMMARY

The Fiscal Year 2010 budget provides a total of \$189.1 million for the Judiciary. The Judiciary ensures Missourians have a fair and accessible forum for the adjudication of civil disputes and criminal charges.

JUDICIARY

SUPREME COURT AND STATE SENTENCING ADVISORY COMMISSION

The Supreme Court has exclusive appellate jurisdiction in all cases involving: the validity of a treaty or statute of the United States or of a statute or provision of the Missouri Constitution; the construction of the state's revenue laws; the title to any state office; and, in all cases, where the punishment imposed is death. In addition, the court may order cases transferred to it from the Court of Appeals if the cases involve questions of general interest or importance, if the court thinks the existing law should be reexamined, if the lower court opinion conflicts with prior opinions, or for other reasons provided by rule of the court. The Court of Appeals also may order a case transferred to the Supreme Court after opinion either by order of the Court of Appeals itself, or by the dissent of a court of appeals judge.

The court is also authorized by the Constitution to establish rules for practice and procedure in the courts and to make temporary transfers of judicial personnel. In addition to its decision-making powers, the Supreme Court supervises all lower courts in the state (assisted by the Office of State Courts Administrator), licenses all lawyers practicing in Missouri, and disciplines those found guilty of violating the Rules of Professional Conduct.

Fiscal Year 2010 Governor's Recommendations

- \$127,386 for pay plan, including \$111,278 general revenue.
- (\$428,859) and (3.16) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$203,470) general revenue.

OFFICE OF STATE COURTS ADMINISTRATOR

The Office of State Courts Administrator fulfills the administrative obligations of the Supreme Court, which are mandated under the judicial article and the statutes. Staff of the office provides technical assistance, statistical analysis, financial system analysis, continuing education, and automation support functions for the courts. The office assists in policy direction for the Statewide Judicial Information System and Missouri Court Automation, collects and analyzes caseload data from the courts, develops and operates appellate and circuit record-keeping systems, develops and operates administrative systems, prepares the judicial budget, and maintains the personnel system for the courts. The office processes payrolls for all state-paid circuit court employees and all other state expenditures of the Supreme Court and circuit courts. The fundamental strategic goal is to build an integrated court system that renders geography largely irrelevant with greater efficiency, wider access, and enhanced accountability for the litigant and taxpayer.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$294,919 for pay plan, including \$180,635 general revenue.
- (\$749,518) and (8.04) staff core reduction from the Fiscal Year 2009 appropriation level.

COURT OF APPEALS

Missouri's current appellate structure—a single Court of Appeals consisting of three districts—was established by a 1970 constitutional amendment. The Eastern District sits in St. Louis, the Western District sits in Kansas City, and the Southern District holds sessions in Springfield and Poplar Bluff. The number of judges in each district is set by statute. The Eastern District has 14 judges, the Western District has 11 judges, and the Southern District has 7 judges.

The Court of Appeals may issue and determine original remedial writs and has general appellate jurisdiction in all cases not within the exclusive jurisdiction of the Supreme Court. Cases not within the Supreme Court's exclusive jurisdiction may be transferred from the Court of Appeals to the Supreme Court when it is determined that a case involves an important issue that should be decided by the state's highest court.

Fiscal Year 2010 Governor's Recommendations

- \$283,757 for pay plan.
- (\$361,262) and (7.34) staff core reduction from the Fiscal Year 2009 appropriation level.

JUDICIARY

CIRCUIT COURTS

Circuit courts are established by Article V, Section 1 of the Constitution of Missouri. The boundaries, circuit number, and inclusive counties of the 45 circuits are established by Chapter 478, RSMo. The circuit court is the exclusive trial court in Missouri. It is comprised of circuit judges, associate circuit judges, and municipal judges. Municipalities under 400,000 population may, and those over 400,000 must, make provision for judges to hear municipal ordinance violations. If such provision is not made, municipalities will file such cases before an associate circuit judge.

Fiscal Year 2010 Governor's Recommendations

- \$336,000 for the Missouri Citizen's Commission on Compensation for Elected Officials recommendation.
- \$3,679,802 for pay plan, including \$3,625,989 general revenue.
- (\$3,965,019) and (113.41) staff core reduction from Fiscal Year 2009 appropriation level.

DRUG COURTS

The main purpose of the drug court program is to use the authority of the court to identify those offenders for whom costly incarceration is neither necessary nor in the state's long-term best interest in terms of sound public policy and the efficient allocation of scarce public resources. Under this concept, defendants are diverted to drug court programs in various ways and at various stages of the judicial process, depending on the circumstances. Drug courts provide the court system an additional tool to reduce the number of people coming into the court and penal systems because of substance abuse by reducing the rate of recidivism. Additionally, providing drug treatment programs decreases the negative consequences of drug abuse by reducing the number of additional cases filed involving family disputes, abuse and neglect, truancy, property crimes, and crimes of violence.

In 1998, the legislature passed HB 1147, which allows any circuit to establish a drug court that shall combine judicial supervision, drug testing, and treatment of drug court participants. HB 471, passed by the General Assembly in 2001, established a "Drug Court Coordinating Commission" composed of eight members: one member selected by the director of the Department of Corrections, one member selected by the director of the Department of Social Services, one member selected by the director of the Department of Mental Health, one member selected by the director of the Department of Public Safety, one member selected by the Office of State Courts Administrator, and three members selected by the Supreme Court. The commission is to evaluate, secure, coordinate, and allocate funding resources to the various drug courts around the state.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

COMMISSION ON RETIREMENT, REMOVAL, AND DISCIPLINE OF JUDGES

The Commission on Retirement, Removal, and Discipline of Judges, authorized in Article V, Section 24 of the Missouri Constitution, receives and investigates all requests and suggestions concerning retirement for disability and all complaints concerning misconduct of judges, members of the judicial commissions, and members of this commission. The commission is composed of two citizens who are not members of the bar and who are appointed by the Governor, two lawyers appointed by the governing body of the Missouri Bar, one judge of the Court of Appeals selected by a majority of the judges of the Court of Appeals, and one judge of the circuit courts selected by a majority of the circuit judges of this state.

Fiscal Year 2010 Governor's Recommendations

- \$5,340 for pay plan.

APPELLATE JUDICIAL COMMISSION

The Appellate Judicial Commission consists of a judge of the Supreme Court, one member of the bar from each appeals district, and one citizen not a member of the bar from each appeals district. The commission considers vacant judgeships of the Supreme Court or the Court of Appeals. The Circuit Judicial Commission consists of the chief judge of the Court of Appeals over the district, two members of the bar residing in the judicial circuit, and two citizens not members of the bar residing in the circuit. This commission considers vacancies in the office of circuit judge or associate circuit judge in those districts subject to nonpartisan selection of judges.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

OFFICE OF THE STATE PUBLIC DEFENDER

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Defender Services	\$ 29,434,786	\$ 30,678,313	\$ 44,803,574	\$ 32,457,911
Federal Grants	39,000	125,000	125,000	125,000
Legal Defense and Defender Fund	1,731,364	2,980,263	2,980,263	2,984,149
Homicide/Conflict of Interest Cases	3,391,501	3,391,502	3,391,502	2,558,059
DEPARTMENT TOTAL	\$ 34,596,651	\$ 37,175,078	\$ 51,300,339	\$ 38,125,119
PERSONAL SERVICE				
General Revenue Fund	25,345,901	26,373,051	35,999,121	28,152,648
Legal Defense and Defender Fund	64,304	129,507	129,507	133,393
EXPENSE AND EQUIPMENT				
General Revenue Fund	7,480,386	7,696,764	12,195,955	6,863,321
Legal Defense and Defender Fund	1,627,422	2,812,006	2,812,006	2,812,006
PROGRAM SPECIFIC DISTRIBUTION				
Federal Funds	39,000	125,000	125,000	125,001
Legal Defense and Defender Fund	39,638	38,750	38,750	38,750
TOTAL	\$ 34,596,651	\$ 37,175,078	\$ 51,300,339	\$ 38,125,119
General Revenue Fund	32,826,287	34,069,815	48,195,076	35,015,969
Federal Funds	39,000	125,000	125,000	125,001
Legal Defense and Defender Fund	1,731,364	2,980,263	2,980,263	2,984,149
Full-time equivalent employees	550.93	560.13	736.63	572.13

OFFICE SUMMARY

The Office of the State Public Defender operates as an independent department at the judicial branch, and fulfills the constitutional guarantee of legal counsel for persons accused of criminal offenses in Missouri's 45 judicial circuits (embracing 114 counties and the City of St. Louis) throughout the state. The Fiscal Year 2010 budget provides a total of \$38.1 million for these services.

Fiscal Year 2010 Governor's Recommendations

- \$381,480 for funding successful retention.
- \$589,248 and twelve staff to respond to rising caseloads.
- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$812,755 for pay plan, including \$808,869 general revenue.
- (\$833,443) core reduction from the Fiscal Year 2009 appropriation level.

GENERAL ASSEMBLY

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR'S RECOMMENDATION
Expenses of the Senate	\$ 10,061,812	\$ 10,870,574	\$ 10,870,574	\$ 11,180,507
Expenses of the House of Representatives	18,558,050	20,163,230	20,163,230	20,806,014
Interstate Organizations	334,747	344,597	344,597	344,597
Committee on Legislative Research	2,265,810	2,570,125	2,660,125	2,725,804
Joint Committees of the General Assembly	411,748	619,396	619,396	634,145
TOTAL	\$ 31,632,167	\$ 34,567,922	\$ 34,657,922	\$ 35,691,067
General Revenue Fund	31,465,100	34,275,667	34,365,667	35,396,263
House of Representatives Revolving Fund	14,786	45,000	45,000	45,000
Senate Revolving Fund	0	40,000	40,000	40,000
Statutory Revision Fund	152,281	207,255	207,255	209,804
Full-time equivalent employees	662.41	712.34	712.34	712.34

GENERAL ASSEMBLY

EXPENSES OF THE SENATE

Article III of the Missouri Constitution provides for the legislative branch of Missouri state government, consisting of the House of Representatives and the Senate. The Senate is composed of 34 members elected for four-year terms.

The budget of the Senate includes funding for members' statutory salaries, staff support, interim committee expenses, and travel expense reimbursements, including lodging, meals, and mileage. The Senate appropriation also includes funds for several joint committees.

Fiscal Year 2010 Governor's Recommendations

- \$309,933 for pay plan.

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR'S RECOMMENDATION
Salaries of Members	\$ 1,062,094	\$ 1,152,156	\$ 1,152,156	\$ 1,226,610
Mileage of Members	91,638	96,435	96,435	96,435
Per Diem of Members	206,665	226,100	226,100	226,100
Senate Contingent Expenses	8,662,494	9,270,883	9,270,883	9,506,362
Joint Contingent Expenses	38,921	125,000	125,000	125,000
TOTAL	\$ 10,061,812	\$ 10,870,574	\$ 10,870,574	\$ 11,180,507
General Revenue Fund	10,061,812	10,830,574	10,830,574	11,140,507
Senate Revolving Fund	0	40,000	40,000	40,000
Full-time equivalent employees	200.64	214.00	214.00	214.00

GENERAL ASSEMBLY

EXPENSES OF THE HOUSE OF REPRESENTATIVES

Article III of the Missouri Constitution provides for the legislative branch of Missouri state government, consisting of the House of Representatives and the Senate. The House is composed of 163 members who are elected for two-year terms.

The budget of the House includes funding for members' statutory salaries, staff support, interim committee expenses, and travel expense reimbursements, including lodging, meals, and mileage.

Fiscal Year 2010 Governor's Recommendations

- \$642,784 for pay plan.

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR'S RECOMMENDATION
Salaries of Members	\$ 5,021,237	\$ 5,493,197	\$ 5,493,197	\$ 5,861,145
Mileage of Members	427,653	440,491	440,491	440,491
Per Diem of Members	998,942	1,290,960	1,290,960	1,290,960
House Contingent Expenses	10,977,671	11,327,028	11,327,028	11,601,302
Representatives' Expense Vouchers	1,117,761	1,566,554	1,566,554	1,567,116
House Revolving Fund	14,786	45,000	45,000	45,000
TOTAL	\$ 18,558,050	\$ 20,163,230	\$ 20,163,230	\$ 20,806,014
General Revenue Fund	18,543,264	20,118,230	20,118,230	20,761,014
House of Representatives Revolving Fund	14,786	45,000	45,000	45,000
Full-time equivalent employees	410.52	441.84	441.84	441.84

GENERAL ASSEMBLY

INTERSTATE ORGANIZATIONS

Missouri's dues to the Council of State Governments, the National Conference of State Legislatures, and the National Conference of Commissioners on Uniform State Laws are paid from these funds.

Fiscal Year 2010 Governor's Recommendations

Continue funding at the current level.

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR'S RECOMMENDATION
Interstate Organization Dues General Revenue Fund	\$ 334,747	\$ 344,597	\$ 344,597

COMMITTEE ON LEGISLATIVE RESEARCH

ADMINISTRATION

In accordance with Sections 23.010 through 23.190, RSMo, a permanent joint committee of the General Assembly is established, comprised of the chair of the Senate Appropriations Committee and nine other senators, and the chair of the House Budget Committee and nine other representatives. The Committee on Legislative Research has staff support to perform the following services for the members of the General Assembly:

- Provide a research and reference service on legislative issues.
- Make investigations into legislative and governmental institutions to aid the General Assembly.
- Assist any interim legislative committee or commission created by the General Assembly.
- Draft or aid in drafting bills, resolutions, memorials, and amendments.
- Prepare fiscal notes for legislation introduced in either house of the General Assembly.
- Conduct management audits and performance audits of state agencies.
- Maintain a legislative library for a reference service to the General Assembly and public.

Fiscal Year 2010 Governor's Recommendations

- \$90,000 for performance measure evaluations.
- \$65,679 for pay plan, including \$63,130 general revenue.

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR'S RECOMMENDATION
Administration	\$ 1,143,330	\$ 1,054,354	\$ 1,083,478
Statute Publication	320,499	587,714	598,336
Oversight Division	576,618	685,522	704,929
Budget Office	225,363	242,535	339,061
TOTAL	\$ 2,265,810	\$ 2,570,125	\$ 2,725,804
General Revenue Fund	2,113,529	2,362,870	2,516,000
Statutory Revision Fund	152,281	207,255	209,804
Full-time equivalent employees	41.80	46.50	46.50

GENERAL ASSEMBLY

JOINT COMMITTEES

These are statutory committees composed of members of the House and Senate and, in some cases, gubernatorial appointees.

Fiscal Year 2010 Governor's Recommendations

- \$14,749 for pay plan.

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR'S RECOMMENDATION
Joint Committee Corrections	\$ 1,849	\$ 12,000	\$ 12,000	\$ 12,000
Joint Committee on Administrative Rules	110,288	128,977	128,977	131,947
Joint Committee Retirement System	152,265	169,274	169,274	173,847
Joint Capital Improvements Committee	65,230	129,300	129,300	132,611
Joint Committee on Transportation	23,369	20,000	20,000	20,450
Joint Committee on Tax Policy	57,593	78,045	78,045	79,636
Joint Committee on Education	1,154	81,800	81,800	83,654
TOTAL	\$ 411,748	\$ 619,396	\$ 619,396	\$ 634,145
General Revenue Fund	411,748	619,396	619,396	634,145
Full-time equivalent employees	9.45	10.00	10.00	10.00

STATEWIDE REAL ESTATE

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Department of Elementary & Secondary Education	\$ 6,518,771	\$ 7,020,837	\$ 7,260,849	\$ 7,237,569
Department of Higher Education	307,380	401,718	337,943	334,947
Department of Revenue	1,992,213	2,159,717	2,250,023	2,138,036
Office of Administration	3,382,361	2,852,179	3,144,961	2,838,079
Department of Agriculture	1,155,068	1,201,827	1,312,878	1,308,267
Department of Natural Resources	3,297,224	3,399,026	3,450,292	3,379,424
Department of Economic Development	4,421,986	4,558,438	4,653,264	4,545,505
Department of Insurance, Financial Institutions and Professional Registration	956,319	1,016,558	1,067,361	1,002,855
Department of Labor and Industrial Relations	1,659,600	1,920,161	1,747,335	1,693,278
Department of Public Safety	11,207,144	12,075,560	13,456,609	13,410,894
Department of Corrections	49,004,928	51,889,802	54,294,585	53,798,207
Department of Mental Health	15,436,467	17,195,990	17,468,874	17,269,962
Department of Health and Senior Services	5,708,730	6,169,318	6,229,054	6,170,194
Department of Social Services	24,963,303	25,456,262	26,641,231	26,026,472
Elected Officials	5,530,215	6,448,516	6,807,405	6,681,632
Judiciary	2,601,600	2,872,784	2,976,070	2,896,802
TOTAL	\$ 138,143,309	\$ 146,638,693 *	\$ 153,098,734	\$ 150,732,123
General Revenue Fund	102,766,528	109,955,809	114,519,539	112,620,526
Federal Funds	22,817,572	23,609,434	24,990,975	24,707,110
Other Funds	12,559,209	13,073,450	13,588,220	13,404,487

* Does not include \$2,590,886 recommended in the Fiscal Year 2009 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding Real Estate supplemental appropriations.

DEPARTMENT SUMMARY

The Division of Facilities Management, Design and Construction (DFMDC) provides oversight for all leased facilities, state-owned facilities, and most institutional facilities. DFMDC continues efforts to terminate leases and consolidate state agencies within state-owned space where possible. The consolidation of space has allowed the redirection of existing funds to offset other costs.

DFMDC provides asset management for all state-owned, leased properties, and institutional facilities totaling in excess of 24 million sq. ft. of space. The following departments are located within those facilities:

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DFMDC is responsible for the oversight and management of approximately 35 lease contracts, totaling over 186,500 sq. ft., approximately 178,000 sq. ft. of space located within state-owned facilities, and approximately 1,100,000 of sq. ft. of institutional space on behalf of the Department of Elementary and Secondary Education.

Fiscal Year 2010 Governor's Recommendations

- \$222,385 for increased costs associated with state-owned and leased facilities, including \$109,472 general revenue.
- \$25,246 for pay plan and associated fringes related to real estate administrative charges, including \$15,795 general revenue.
- \$82,019 federal and other funds reallocated from various departmental real estate budgets.
- (\$66,028) reallocated to various departmental real estate budgets, including (\$50,382) general revenue.
- (\$46,890) core reduction from the Fiscal Year 2009 appropriation level, including (\$8,514) general revenue.

STATEWIDE REAL ESTATE

DEPARTMENT SUMMARY (Continued)

DEPARTMENT OF HIGHER EDUCATION

DFMDC is responsible for the oversight and management of two lease contracts, approximately 25,000 sq. ft. of leased space on behalf of the Department of Higher Education.

Fiscal Year 2010 Governor's Recommendations

- \$202 for pay plan and associated fringes related to real estate administrative charges, including \$63 general revenue.
- (\$63,775) reallocated to various departmental real estate budgets, including (\$9,036) general revenue.
- (\$3,198) core reduction from the Fiscal Year 2009 appropriation level, including (\$1,091) general revenue.

DEPARTMENT OF REVENUE

DFMDC is responsible for the oversight and management of 13 lease contracts, totaling over 41,000 sq. ft. and approximately 298,000 sq. ft. of space located within state-owned facilities on behalf of the Department of Revenue and the Tax Commission. In addition, DFMDC is also responsible for the oversight and management of approximately three lease contracts, totaling over 26,000 sq. ft., approximately 400 sq. ft. of space located within state-owned facilities, and approximately 79,000 sq. ft. of institutional space on behalf of the Lottery Commission.

Fiscal Year 2010 Governor's Recommendations

- \$83,308 for fuel and utility cost increases, including \$76,037 general revenue.
- \$6,034 for pay plan and associated fringes related to real estate administrative charges, including \$5,818 general revenue.
- \$122,533 reallocated from various departmental real estate budgets, including \$55,913 general revenue.
- (\$132,418) reallocated to various departmental real estate budgets, including (\$132,398) general revenue.
- (\$101,138) core reduction from the Fiscal Year 2009 appropriation level, including (\$96,841) general revenue.

OFFICE OF ADMINISTRATION

DFMDC is responsible for the oversight and management of 17 lease contracts, totaling over 84,000 sq. ft. and approximately 410,000 sq. ft. of space located within state-owned facilities on behalf of the Office of Administration. In addition, DFMDC is responsible for the oversight and management of one lease contract for approximately 7,000 sq. ft. of leased space on behalf of the Ethics Commission.

Additionally DFMDC is responsible for the oversight and management of four non-state leases, totaling over 8600 sq. ft. and approximately 84,500 sq. ft. of non-state tenant space located within state-owned facilities. DFMDC is also responsible for over 34,000 sq. ft. of non-state tenant institutional space.

Fiscal Year 2010 Governor's Recommendations

- \$158,370 for fuel and utility cost increases, including \$157,066 general revenue.
- \$48,360 for the redistricting office.
- \$16,977 for pay plan and associated fringes related to real estate administrative charges, including \$16,653 general revenue.
- \$114,596 reallocated from various departmental real estate budgets, including \$112,068 general revenue.
- \$5,504 transferred from the Office of Administration, Division of General Services for mail services.
- (\$296,587) core reduction from the Fiscal Year 2009 appropriation level, including (\$294,582) general revenue.
- (\$61,320) reallocated to various departmental real estate budgets.

STATEWIDE REAL ESTATE

DEPARTMENT SUMMARY (Continued)

DEPARTMENT OF AGRICULTURE

DFMDC is responsible for the oversight and management of eight lease contracts, totaling approximately 28,000 sq. ft., approximately 55,000 sq. ft. of space located within state-owned facilities, and approximately 587,000 sq. ft. of institutional space on behalf of the Department of Agriculture.

Fiscal Year 2010 Governor's Recommendations

- \$40,988 for increased costs associated with state-owned and leased facilities, including \$12,163 general revenue.
- \$3,958 for pay plan and associated fringes related to real estate administrative charges, including \$2,821 general revenue.
- \$140,758 federal and other funds transferred from the Department of Agriculture for additional institutional consolidation.
- \$6,439 other funds reallocated from various departmental real estate budgets.
- (\$77,704) reallocated to various departmental real estate budgets, including (\$51,993) general revenue.
- (\$7,999) core reduction from the Fiscal Year 2009 appropriation level, including (\$5,769) general revenue.

DEPARTMENT OF NATURAL RESOURCES

DFMDC is responsible for the oversight and management of approximately 34 lease contracts, totaling approximately 153,000 sq. ft. and approximately 180,000 sq. ft. of space located within state-owned facilities on behalf of the Department of Natural Resources.

Fiscal Year 2010 Governor's Recommendations

- \$87,974 for increased costs associated with state-owned and leased facilities, including \$48,008 general revenue.
- \$12,023 for pay plan and associated fringes related to real estate administrative charges, including \$2,649 general revenue.
- \$5,735 other funds reallocated from various departmental real estate budgets.
- (\$65,048) core reduction from the Fiscal Year 2009 appropriation level, including (\$12,507) general revenue.
- (\$60,286) federal and other funds reallocated to various departmental real estate budgets.

DEPARTMENT OF ECONOMIC DEVELOPMENT

DFMDC is responsible for the oversight and management of approximately 38 lease contracts, totaling over 216,000 sq. ft., approximately 208,000 sq. ft. of space located within state-owned facilities on behalf of the Department of Economic Development.

Fiscal Year 2010 Governor's Recommendations

- \$118,461 for increased costs associated with state-owned and leased facilities, including \$7,479 general revenue.
- \$13,539 for pay plan and associated fringes related to real estate administrative charges, including \$1,926 general revenue.
- \$56,360 other funds reallocated from various departmental real estate budgets.
- \$25,600 federal and other funds transferred from the Department of Economic Development for additional state-owned space.
- (\$125,716) reallocated to various departmental real estate budgets, including (\$61,241) general revenue.
- (\$101,177) core reduction from the Fiscal Year 2009 appropriation level, including (\$18,149) general revenue.

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

DFMDC is responsible for the oversight and management of six lease contracts, totaling over 9,000 sq. ft. and approximately 118,000 sq. ft. of space located within state-owned facilities on behalf of the Department of Insurance, Financial Institutions and Professional Registration.

Fiscal Year 2010 Governor's Recommendations

- \$27,630 other funds for fuel and utility cost increases.
- \$6,920 other funds for pay plan and associated fringes related to real estate administrative charges.
- \$26,057 other funds reallocated from various departmental real estate budgets.
- (\$71,426) other funds core reduction from the Fiscal Year 2009 appropriation level.
- (\$2,884) other funds reallocated to various departmental real estate budgets.

STATEWIDE REAL ESTATE

DEPARTMENT SUMMARY (Continued)

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DFMDC is responsible for the oversight and management of 11 lease contracts, totaling over 19,500 sq. ft. and approximately 235,000 sq. ft. of space located within state-owned facilities on behalf of the Department of Labor and Industrial Relations.

Fiscal Year 2010 Governor's Recommendations

- \$46,629 for fuel and utility cost increases, including \$4,287 general revenue.
- \$3,340 Human Rights Commission Fund for janitorial, utility and market rate increases.
- \$11,226 for pay plan and associated fringes related to real estate administrative charges, including \$473 general revenue.
- \$50,964 other funds reallocated from various departmental real estate budgets.
- (\$275,058) reallocated to various departmental real estate budgets, including (\$2,708) general revenue.
- (\$63,984) core reduction from the Fiscal Year 2009 appropriation level, including (\$3,963) general revenue.

DEPARTMENT OF PUBLIC SAFETY

DFMDC is responsible for the oversight and management of 38 lease contracts, totaling over 74,000 sq. ft, approximately 48,000 sq. ft. of space located within state-owned facilities, and approximately 987,000 sq. ft. of institutional space on behalf of the Department of Public Safety's Office of the Director, Veterans' Commission, Liquor Control, Capitol Police, Water Patrol and Fire Marshal.

In addition, DFMDC is responsible for the oversight and management of four lease contracts for approximately 37,000 sq. ft. of space on behalf of the Gaming Commission; approximately 120 lease contracts, totaling over 94,000 sq. ft., approximately 13,000 sq. ft. of space located within state-owned facilities, and approximately 483,000 sq. ft. of institutional space on behalf of the Missouri State Highway Patrol; and 19 lease contracts, totaling approximately 80,000 sq. ft. of space within leased facilities on behalf of the Missouri Adjutant General.

Fiscal Year 2010 Governor's Recommendations

- \$1,421,325 for increased costs associated with state-owned and leased facilities, including \$623,998 general revenue.
- \$76,750 for the crime labs at Carthage and Springfield, including \$30,700 general revenue.
- \$18,352 for pay plan and associated fringes related to real estate administrative charges, including \$3,675 general revenue.
- \$289,972 reallocated from various departmental real estate budgets, including \$88,500 general revenue.
- \$110,495 transferred from the Department of Public Safety for additional leased space and institutional consolidation, including \$14,188 general revenue.
- (\$479,375) reallocated to various departmental real estate budgets, including (\$160,831) general revenue.
- (\$102,185) core reduction from the Fiscal Year 2009 appropriation level, including (\$34,290) general revenue

DEPARTMENT OF CORRECTIONS

DFMDC is responsible for the oversight and management of approximately 111 lease contracts, totaling over 554,000 sq. ft., approximately 95,000 sq. ft. of space located within state-owned facilities, and approximately 9,650,000 sq. ft. of institutional space on behalf of the Department of Corrections.

Fiscal Year 2010 Governor's Recommendations

- \$618,095 for increased costs associated with state-owned and leased facilities, including \$210,920 general revenue.
- \$242,174 for pay plan and associated fringes related to real estate administrative charges, including \$236,795 general revenue.
- \$1,736,309 transferred from the Department of Corrections for additional janitorial services and institutional space.
- \$33,203 reallocated from various departmental real estate budgets.
- (\$710,446) core reduction from the Fiscal Year 2009 appropriation level, including (\$708,811) general revenue.
- (\$10,930) Working Capital Revolving Fund reallocated to various departmental real estate budgets.

STATEWIDE REAL ESTATE

DEPARTMENT SUMMARY (Continued)

DEPARTMENT OF MENTAL HEALTH

DFMDC is responsible for the oversight and management of 41 lease contracts, totaling 147,000 sq. ft. and approximately 104,000 sq. ft. of space located within state-owned facilities, and approximately 4,320,000 of sq. ft. of institutional space on behalf of the Department of Mental Health.

Fiscal Year 2010 Governor's Recommendations

- \$686,972 for increased costs associated with state-owned and leased facilities, including \$679,995 general revenue.
- \$79,151 for pay plan and associated fringes related to real estate administrative charges, including \$77,434 general revenue.
- \$44,439 federal and other funds reallocated from various departmental real estate budgets.
- (\$588,645) core reduction from the Fiscal Year 2009 appropriation level, including (\$573,195) general revenue.
- (\$147,945) reallocated to various departmental real estate budgets.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

DFMDC is responsible for the oversight and management of approximately 90 lease contracts, totaling over 346,000 sq. ft., approximately 180,000 sq. ft. of space located within state-owned facilities on behalf of the Department of Health and Senior Services.

Fiscal Year 2010 Governor's Recommendations

- \$184,120 for increased costs associated with state-owned and leased facilities, including \$95,520 general revenue.
- \$15,995 for pay plan and associated fringes related to real estate administrative charges, including \$6,362 general revenue.
- \$174,130 federal and other funds reallocated from various departmental real estate budgets.
- (\$371,094) core reduction from the Fiscal Year 2009 appropriation level, including (\$26,473) general revenue.
- (\$2,275) Nursing Facility Quality of Care Fund reallocated to various departmental real estate budgets.

DEPARTMENT OF SOCIAL SERVICES

DFMDC is responsible for the oversight and management of approximately 164 lease contracts, totaling over 1.2 million sq. ft., approximately 780,000 sq. ft. of space located within state-owned facilities, and approximately 427,000 sq. ft. of institutional space on behalf of the Department of Social Services.

Fiscal Year 2010 Governor's Recommendations

- \$633,429 for increased costs associated with state-owned and leased facilities, including \$428,495 general revenue.
- \$57,779 for pay plan and associated fringes related to real estate administrative charges, including \$48,871 general revenue.
- \$472,500 reallocated from various departmental real estate budgets, including \$329,380 general revenue.
- \$29,589 transferred from Department of Social Services for additional leased space, including \$19,085 general revenue.
- (\$622,213) core reduction from the Fiscal Year 2009 appropriation level, including (\$513,857) general revenue.
- (\$874) federal and other funds reallocated to various departmental real estate budgets.

STATEWIDE REAL ESTATE

DEPARTMENT SUMMARY (Continued)

ELECTED OFFICIALS

DFMDC is responsible for the oversight and management of three parking lease contracts and approximately 30,000 sq. ft. of space located within state-owned facilities on behalf of the State Auditor; 4,000 sq. ft. of leased space and approximately 285,000 sq. ft. of space located within state-owned facilities on behalf of the Missouri Legislature; approximately 5,000 sq. ft. of space located within state-owned facilities on behalf of the Lt. Governor's Office; approximately seven lease contracts, totaling over 104,000 sq. ft. and approximately 174,000 sq. ft. of space located within state-owned facilities on behalf of the Secretary of State; approximately 27,000 sq. ft. of space located within state-owned facilities on behalf of the State Treasurer's Office; approximately 14 lease contracts, totaling approximately 46,000 sq. ft., and approximately 106,000 sq. ft. of space located within state-owned facilities on behalf of the Attorney General; and approximately 42,000 sq. ft. of space located within state-owned facilities on behalf of the Governor's Office.

Fiscal Year 2010 Governor's Recommendations

- \$294,076 for increased costs associated with state-owned and leased facilities, including \$266,155 general revenue.
- \$36,382 for pay plan and associated fringes related to real estate administrative charges, including \$32,304 general revenue.
- \$124,346 reallocated from various departmental real estate budgets, including \$91,605 general revenue.
- \$3,180 Local Records Preservation Fund transferred from the Secretary of State for additional parking.
- (\$132,949) core reduction from the Fiscal Year 2009 appropriation level, including (\$96,784) general revenue.
- (\$91,919) reallocated to various departmental real estate budgets, including (\$32,815) general revenue.

JUDICIARY

DFMDC is responsible for the oversight and management of six lease contracts, totaling over 145,000 sq. ft. and approximately 46,000 sq. ft. of space located within state-owned facilities on behalf of the Court of Appeals and the State Courts Administrator.

Fiscal Year 2010 Governor's Recommendations

- \$84,037 for increased costs associated with state-owned and leased facilities.
- \$3,370 for pay plan and associated fringes related to real estate administrative charges, including \$3,277 general revenue.
- (\$54,826) core reduction from the Fiscal Year 2009 appropriation level, including (\$53,151) general revenue.
- (\$8,563) federal and other funds reallocated to various departmental real estate budgets.

SUPPLEMENTAL APPROPRIATIONS

The Governor's recommendations for Fiscal Year 2009 Supplemental Appropriations include \$35,504,247 general revenue, \$50,432,155 federal funds, and \$60,613,748 other funds, for a total of \$146,550,150.

FISCAL YEAR 2009 SUPPLEMENTAL BILL SUMMARY

	<u>GENERAL REVENUE</u>	<u>FEDERAL FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL*</u>
Department of Elementary and Secondary Education	\$ 5,369,903	\$ 321,067	\$ 29,592,717	\$ 35,283,687
Department of Revenue	1,145,769	250,500	203,902	1,600,171
Department of Transportation	500,000	0	0	500,000
Office of Administration	0	16	5,000,000	5,000,016
Department of Economic Development	97,480	0	48,000	145,480
Department of Insurance, Financial Institutions and Professional Registration	0	0	65,128	65,128
Department of Labor and Industrial Relations	0	0	14,453,281	14,453,281
Department of Public Safety	324,704	0	1,220,287	1,544,991
Department of Corrections	3,707,451	0	0	3,707,451
Department of Mental Health	6,432,472	5,378,866	0	11,811,338
Department of Health and Senior Services	15,688,000	26,712,000	0	42,400,000
Department of Social Services	1,044,496	17,137,756	9,281,445	27,463,697
Elected Officials	44,067	0	0	44,067
Statewide Leasing	1,149,905	631,950	748,988	2,530,843
TOTAL HOUSE BILL 2014	\$ 35,504,247	\$ 50,432,155	\$ 60,613,748	\$ 146,550,150

*Excludes refunds and other items not included in Executive Budget totals.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION DIVISION OF ADMINISTRATION AND FINANCIAL SERVICES/SPECIAL EDUCATION EQUITY FORMULA/EARLY CHILDHOOD SPECIAL EDUCATION

H.B. Sec. 14.005	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
PROGRAM SPECIFIC DISTRIBUTION			
Lottery Proceeds Fund	\$ 108,979,552	\$ 0	\$ 1E
State School Moneys Fund	2,283,650,788	17,773,414E	1E
Outstanding Schools Trust Fund	643,615,085	0	1E
Classroom Trust Fund	311,285,314	0	1E
Schools First Elementary and Secondary Education Improvement Fund	0	0	27,092,714E
TOTAL	\$ 3,347,530,739	\$ 17,773,414	\$ 27,092,718

The Governor recommends \$12,773,414 on an open-ended basis for increased costs of the equity line of the school foundation formula and \$14,319,304 for increased costs of the Early Childhood Special Education Program. The true cost of the Fiscal Year 2009 foundation formula will not be known until the end of the fiscal year.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF ADMINISTRATION AND FINANCIAL SERVICES
REBUILD MISSOURI SCHOOLS PROGRAM**

H.B. Sec. 14.010	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	\$ 0	\$ 5,337,135	\$ 0
Rebuild Missouri Schools Fund	0	0	5,337,135
TOTAL	\$ 0	\$ 5,337,135	\$ 5,337,135

The Governor recommends \$5,337,135 for the Rebuild Missouri Schools Program to assist the Caruthersville and Mansfield R-IV school districts in paying the costs of emergency projects through a loan repayment program.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF ADMINISTRATION AND FINANCIAL SERVICES
REBUILD MISSOURI SCHOOLS PROGRAM**

H.B. Sec. 14.015	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
TRANSFER			
General Revenue Fund	\$ 0	\$ 0	\$ 5,337,135

The Governor recommends \$5,337,135 for transfer to the Rebuild Missouri Schools Fund to assist the Caruthersville and Mansfield R-IV school districts in paying the costs of emergency projects through a loan repayment program.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF TEACHER QUALITY AND URBAN EDUCATION
WALLACE LEADERSHIP GRANTS PROGRAM**

H.B. Sec. 14.020	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
EXPENSE AND EQUIPMENT			
Federal Funds	\$ 135,000	\$ 200,000	\$ 200,000

The Governor recommends \$200,000 for the Wallace Leadership Grants Program.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF VOCATIONAL REHABILITATION**

H.B. Sec. 14.025	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	\$ 12,410,914	\$ 32,767	\$ 32,767
Federal Funds	37,707,980	121,067	121,067
Payments by the Department of Mental Health	1,000,000	0	0
Lottery Proceeds Fund	1,400,000	0	0
TOTAL	\$ 52,518,894	\$ 153,834	\$ 153,834

The Governor recommends \$153,834 for additional vocational rehabilitation grant funding available through reallocations.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF SPECIAL EDUCATION
HIGH NEED PROGRAM**

H.B. Sec. 14.030	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	\$ 1,421,563	\$ 0	\$ 0
Lottery Proceeds Fund	19,590,000	2,500,000	0
Schools First Elementary and Secondary Education Improvement Fund	0	0	2,500,000
TOTAL	\$ 21,011,563	\$ 2,500,000	\$ 2,500,000

The Governor recommends \$2,500,000 for increased costs to the High Need Program.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF ADMINISTRATION AND FINANCIAL SERVICES/SPECIAL EDUCATION
EQUITY FORMULA TRANSFER**

H.B. Sec. 14.035	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
TRANSFER			
General Revenue Fund	\$ 2,121,396,888	\$ 0	\$ 1E

The Governor recommends \$1 on an open-ended basis for transfer to the State School Moneys Fund for costs associated with the equity line of the school foundation formula and early childhood special education. The true cost of the Fiscal Year 2009 foundation formula will not be known until the end of the fiscal year.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF ADMINISTRATION AND FINANCIAL SERVICES/SPECIAL EDUCATION
SCHOOLS FIRST ELEMENTARY AND SECONDARY EDUCATION IMPROVEMENT FUND TRANSFER**

H.B. Sec. 14.040	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
TRANSFER			
Gaming Proceeds for Education Fund	\$ 0	\$ 0	\$ 29,592,714E

The Governor recommends \$29,592,714 on an open-ended basis for transfer to the Schools First Elementary and Secondary Education Improvement Fund for costs associated with the equity line of the school foundation formula, early childhood special education, and the high need fund. The true cost of the Fiscal Year 2009 foundation formula will not be known until the end of the fiscal year.

**DEPARTMENT OF HIGHER EDUCATION
DIVISION OF STUDENT FINANCIAL AID
ADVANTAGE MISSOURI PROGRAM**

H.B. Sec. 14.045	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
TRANSFER			
Advantage Missouri Trust Fund	\$ 0	\$ 0	\$ 735,000E

The Governor recommends \$735,000 on an open-ended basis for transfer to the General Revenue Fund. The Advantage Missouri Program is now defunct and monies in the Advantage Missouri Trust Fund can therefore be transferred back to General Revenue, which was the original fund source for the Advantage Missouri Trust Fund.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF REVENUE
FISCAL SERVICES DIVISION**

H.B. Sec. 14.050	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
EXPENSE AND EQUIPMENT			
General Revenue Fund	\$ 4,494,975	\$ 0	\$ 0
State Highways and Transportation Department Fund	5,057,450	223,155	169,452
TOTAL	\$ 9,552,425	\$ 223,155	\$ 169,452

The Governor recommends \$169,452 for additional postage expense for mailing new license plates to customers due to plate reissuance.

**DEPARTMENT OF REVENUE
CUSTOMER SERVICES DIVISION**

H.B. Sec. 14.055	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
PERSONAL SERVICE			
General Revenue Fund	\$ 615,079	\$ 0	\$ 0
Federal Funds	198,641	500E	500E
Motor Vehicle Commission Fund	274,374	0	0
Department of Revenue Information Fund	289,915	0	0
Department of Revenue Specialty Plate Fund	2,206	0	0
EXPENSE AND EQUIPMENT			
General Revenue Fund	335,792	10,500	10,500
Federal Funds	129,816	250,000E	250,000E
Motor Vehicle Commission Fund	344,604	0	0
Department of Revenue Information Fund	199,914	0	0
Department of Revenue Specialty Plate Fund	3,000	0	0
TOTAL	\$ 2,393,341	\$ 261,000	\$ 261,000
General Revenue Fund	950,871	10,500	10,500
Federal Funds	328,457	250,500	250,500
Motor Vehicle Commission Fund	618,978	0	0
Department of Revenue Information Fund	489,829	0	0
Department of Revenue Specialty Plate Fund	5,206	0	0

The Governor recommends \$10,500 for a rate increase by the United States Department of Homeland Security for the Systematic Alien Verification for Entitlements (SAVE) Program and \$250,500 on an open-ended basis to allow the division to submit grant requests to the Federal Motor Carrier Administration and Division of Highway Safety.

**DEPARTMENT OF REVENUE
CUSTOMER SERVICES DIVISION**

H.B. Sec. 14.060	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
PROGRAM SPECIFIC DISTRUBTION			
General Revenue Fund	\$ 200,000	\$ 25,000	\$ 25,000

The Governor recommends \$25,000 for fees paid to county recorder of deeds for filing and releasing tax liens on taxpayers' real and personal property for taxes owed to the State of Missouri.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF REVENUE
FISCAL SERVICES DIVISION**

H.B. Sec. 14.065	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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TRANSFER			
General Revenue Fund	\$ 0	\$ 1,110,269	\$ 1,110,269

The Governor recommends \$1,110,269 for transfer to the State Highways and Transportation Department Fund for Amendment 3 collection costs that exceeded the constitutional three-percent limit.

**DEPARTMENT OF REVENUE
STATE LOTTERY COMMISSION**

H.B. Sec. 14.070	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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EXPENSE AND EQUIPMENT			
Lottery Enterprise Fund	\$ 31,253,502E	\$ 43,500	\$ 34,450

The Governor recommends \$34,450 for fuel inflation costs.

**DEPARTMENT OF TRANSPORTATION
DIVISION OF MULTIMODAL OPERATIONS
AMTRAK – PASSENGER RAIL**

H.B. Sec. 14.075	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	\$ 6,900,000	\$ 0	\$ 500,000
State Transportation Fund	1,100,000	0	0
TOTAL	\$ 8,000,000	\$ 0	\$ 500,000

The Governor recommends \$500,000 for continuation of twice-daily passenger rail service between St. Louis and Kansas City.

**OFFICE OF ADMINISTRATION
INFORMATION TECHNOLOGY SERVICES DIVISION
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

H.B. Sec. 14.080	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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EXPENSE AND EQUIPMENT			
Unemployment Automation Fund	\$ 0	\$ 5,000,000	\$ 5,000,000

The Governor recommends \$5,000,000 Unemployment Automation Fund for a fund switch from the Special Employment Security Fund. The same amount has been placed in reserve in the Special Employment Security Fund.

**SUPPLEMENTAL APPROPRIATIONS
OFFICE OF ADMINISTRATION
DIVISION OF FACILITIES MANAGEMENT, DESIGN AND CONSTRUCTION
ASSET MANAGEMENT**

H.B. Sec. 14.085	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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EXPENSE AND EQUIPMENT			
State Facility Maintenance and Operation Fund	\$ 65,442,908	\$ 2,305,139	\$ 1,746,297

The Governor recommends \$1,746,297 for increased fuel and utilities costs.

**OFFICE OF ADMINISTRATION
DIVISION OF BUDGET AND PLANNING**

H.B. Sec. 14.090	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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PROGRAM SPECIFIC DISTRIBUTION			
Federal Stimulus Fund	\$ 0	\$ 0	16E

The Governor recommends federal funds on an open-ended basis for the purpose of accessing, maximizing and/or leveraging federal fiscal relief funds, when such funds become available, for projects throughout the state as identified, prioritized, and supervised by the Commissioner of Administration, with notice to the General Assembly.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF BUSINESS AND COMMUNITY SERVICES**

H.B. Sec. 14.095	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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PROGRAM SPECIFIC DISTRIBUTION			
Economic Development Advancement Fund	\$ 0	\$ 0	1E

The Governor recommends \$1 on an open-ended basis for refunds of the tax credit issuance fee.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
OFFICE OF THE FILM COMMISSION**

H.B. Sec. 14.100	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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EXPENSE AND EQUIPMENT			
General Revenue Fund	\$ 152,520	\$ 0	\$ 97,480

The Governor recommends \$97,480 for the Missouri Film Commission.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF ECONOMIC DEVELOPMENT
PUBLIC SERVICE COMMISSION
MANUFACTURED HOUSING PROGRAM**

H.B. Sec. 14.105	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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PROGRAM SPECIFIC DISTRIBUTION			
Manufactured Housing Consumer Recovery Fund	\$ 0	\$ 48,000	\$ 48,000

The Governor recommends \$48,000 to implement the provisions of Senate Bill 788 (2008) to establish the Manufactured Housing Consumer Recovery Fund to pay consumer claims.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
PUBLIC SERVICE COMMISSION
MANUFACTURED HOUSING PROGRAM**

H.B. Sec. 14.110	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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TRANSFER			
Manufactured Housing Fund	\$ 0	\$ 48,000	\$ 48,000

The Governor recommends \$48,000 for transfer to the Manufactured Housing Consumer Recovery Fund to implement the provisions of Senate Bill 788 (2008) to pay consumer claims.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
MISSOURI DENTAL BOARD**

H.B. Sec. 14.115	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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EXPENSE AND EQUIPMENT			
Dental Board Fund	\$ 262,863	\$ 15,000	\$ 15,000

The Governor recommends \$15,000 for payment of attorney fees and expenses.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
STATE BOARD OF NURSING**

H.B. Sec. 14.120	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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EXPENSE AND EQUIPMENT			
Board of Nursing Fund	\$ 752,496	\$ 50,128	\$ 50,128

The Governor recommends \$50,128 for payment of attorney fees and expenses.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
DIVISION OF WORKERS' COMPENSATION
SECOND INJURY FUND PROGRAM**

H.B. Sec. 14.125	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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PROGRAM SPECIFIC DISTRIBUTION			
Workers' Compensation - Second Injury Fund	\$ 61,796,719	\$ 14,453,281E	\$ 14,453,281E

The Governor recommends \$14,453,281 on an open-ended basis for the difference between the Fiscal Year 2009 appropriation capping awards at Fiscal Year 2008 levels and current projected Fiscal Year 2009 Second Injury Fund award amounts.

**DEPARTMENT OF PUBLIC SAFETY
MISSOURI STATE HIGHWAY PATROL**

H.B. Sec. 14.130	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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EXPENSE AND EQUIPMENT			
General Revenue Fund	\$ 233,299	\$ 366,846	\$ 70,169
Gaming Commission Fund	246,329	329,671	88,834
State Highways and Transportation Department Fund	<u>2,455,272</u>	<u>2,587,278</u>	<u>637,010</u>
TOTAL	\$ 2,934,900	\$ 3,283,795	\$ 796,013

The Governor recommends \$796,013 for motor fuel increases.

**DEPARTMENT OF PUBLIC SAFETY
MISSOURI STATE WATER PATROL**

H.B. Sec. 14.135	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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EXPENSE AND EQUIPMENT			
General Revenue Fund	\$ 686,086	\$ 337,390	\$ 232,533

The Governor recommends \$232,533 for motor fuel cost increases.

**DEPARTMENT OF PUBLIC SAFETY
DIVISION OF ALCOHOL AND TOBACCO CONTROL**

H.B. Sec. 14.140	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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EXPENSE AND EQUIPMENT			
General Revenue Fund	\$ 409,323	\$ 89,654	\$ 22,002

The Governor recommends \$14,720 for payment of attorney fees and \$7,282 for motor fuel cost increases.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF PUBLIC SAFETY
DIVISION OF FIRE SAFETY**

H.B. Sec. 14.145	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
EXPENSE AND EQUIPMENT			
General Revenue Fund	\$ 336,747	\$ 30,800	\$ 0
Elevator Safety Fund	79,146	5,000	1,212
Boiler and Pressure Vessels Safety Fund	53,300	5,000	1,212
Missouri Explosives Safety Act Administration Fund	<u>66,609</u>	<u>1,200</u>	<u>303</u>
TOTAL	\$ 535,802	\$ 42,000	\$ 2,727

The Governor recommends \$2,727 for motor fuel cost increases.

**DEPARTMENT OF PUBLIC SAFETY
MISSOURI VETERANS' COMMISSION
MISSOURI VETERANS' HOMES**

H.B. Sec. 14.150	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
EXPENSE AND EQUIPMENT			
General Revenue Fund	\$ 16,217,829	\$ 491,716	\$ 0
Missouri Veterans' Homes Fund	<u>4,121,913</u>	<u>0</u>	<u>491,716</u>
TOTAL	\$ 20,339,742	\$ 491,716	\$ 491,716

The Governor recommends \$491,716 for food inflation costs at veterans' homes statewide.

**DEPARTMENT OF CORRECTIONS
DIVISION OF HUMAN SERVICES**

H.B. Sec. 14.155	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
EXPENSE AND EQUIPMENT			
General Revenue Fund	\$ 27,088,661	\$ 1,588,531	\$ 775,871
Federal Funds	<u>450,000</u>	<u>0</u>	<u>0</u>
TOTAL	\$ 27,538,661	\$ 1,588,531	\$ 775,871

The Governor recommends \$775,871 for increases in costs of food and offender population size.

**DEPARTMENT OF CORRECTIONS
DIVISION OF PROBATION AND PAROLE**

H.B. Sec. 14.160	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
PERSONAL SERVICE			
General Revenue Fund	\$ 65,515,933	\$ 4,760,753	\$ 2,931,580
Inmate Revolving Fund	<u>5,973,631</u>	<u>0</u>	<u>0</u>
TOTAL	\$ 71,489,564	\$ 4,760,753	\$ 2,931,580

The Governor recommends \$2,931,580 to fund Probation and Parole Officer back pay for the period of July 1, 2007 through June 30, 2009.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF MENTAL HEALTH
AGENCY-WIDE**

H.B. Sec. 14.165	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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PERSONAL SERVICE			
General Revenue Fund	\$ 1,410,617	\$ 3,894,267	\$ 4,243,854

The Governor recommends \$4,243,854 for expected increases in overtime costs.

**DEPARTMENT OF MENTAL HEALTH
ADULT AND CHILD TREATMENT SERVICES**

H.B. Sec. 14.170	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	\$ 174,115,903	\$ 2,556,722	\$ 2,188,618
Federal Funds	351,284,054E	4,341,935E	3,682,391E
TOTAL	\$ 525,399,957	\$ 6,898,657	\$ 5,871,009

The Governor recommends \$247,706 to the Division of Alcohol and Drug Abuse, \$1,613,839 to the Division of Comprehensive Psychiatric Services, and \$4,009,464 to the Division of Developmental Disabilities to cover shortfalls in funding for MO HealthNet services.

**DEPARTMENT OF MENTAL HEALTH
OFFICE OF THE DIRECTOR**

H.B. Sec. 14.175	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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PROGRAM SPECIFIC DISTRIBUTION			
Federal Funds	\$ 6,923,031	\$ 1,056,608	\$ 1,696,475

The Governor recommends \$1,696,475 to cover annual increases in the Shelter Plus Care grants.

**DEPARTMENT OF MENTAL HEALTH
DIVISION OF COMPREHENSIVE PSYCHIATRIC SERVICES
ADULT COMMUNITY PROGRAMS**

H.B. Sec. 14.180	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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PROGRAM SPECIFIC DISTRIBUTION			
Mental Health Interagency Payments Fund	\$ 377,050	\$ 895,350	\$ 895,350

The Governor recommends \$895,350 for community mental health services for Department of Corrections offenders.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF MENTAL HEALTH
DIVISION OF DEVELOPMENTAL DISABILITIES
ICF/MR PROVIDER TAX**

H.B. Sec. 14.185	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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EXPENSE AND EQUIPMENT			
General Revenue Fund	\$ 4,355,142	\$ 227,276E	\$ 227,276E

The Governor recommends \$227,276 on an open-ended basis to generate the full 5.49 percent tax on operating revenues of state-operated ICF/MR facilities.

**DEPARTMENT OF MENTAL HEALTH
DIVISION OF DEVELOPMENTAL DISABILITIES
COMMUNITY PROGRAMS**

H.B. Sec. 14.190	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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PROGRAM SPECIFIC DISTRIBUTION			
Mental Health Interagency Payments Fund	\$ 3,443,549	\$ 2,000,000E	\$ 2,000,000E

The Governor recommends \$2,000,000 on an open-ended basis for the Medicaid match to access waiver services for children in Children's Division custody.

**DEPARTMENT OF HEALTH AND SENIOR SERVICES
DIVISION OF SENIOR AND DISABILITY SERVICES
HOME AND COMMUNITY BASED SERVICES**

H.B. Sec. 14.195	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	\$ 159,590,239	\$ 18,529,005	\$ 15,688,000
Federal Funds	<u>271,735,279</u>	<u>31,549,387</u>	<u>26,712,000</u>
TOTAL	\$ 431,325,518	\$ 50,078,392	\$ 42,400,000

The Governor recommends \$42,400,000 for increases in service demand in the MO HealthNet Home and Community Based Services Program.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION
ADMINISTRATION SERVICES**

H.B. Sec. 14.200	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
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EXPENSE AND EQUIPMENT			
General Revenue Fund	\$ 1,238,613	\$ 105,000	\$ 105,000
Federal Funds	4,026,422	0	0
Pharmacy Rebates Fund	5,110	0	0
Pharmacy Reimbursement Allowance Fund	375	0	0
Health Initiatives Fund	31,385	0	0
Nursing Facility Quality of Care Fund	10,281	0	0
Third Party Liability Collections Fund	495,188	0	0
Missouri Rx Plan Fund	<u>57,800</u>	<u>0</u>	<u>0</u>
TOTAL	\$ 5,865,174	\$ 105,000	\$ 105,000

The Governor recommends \$105,000 for attorney fees and expenses for the MO HealthNet Division.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION
HEALTH CARE TECHNOLOGY PROJECTS**

H.B. Sec. 14.205	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
PROGRAM SPECIFIC DISTRIBUTION			
Health Care Technology Fund	\$ 5,500,000	\$ 250,000	\$ 250,000
Federal Funds	<u>2,500,000</u>	<u>0</u>	<u>0</u>
TOTAL	\$ 8,000,000	\$ 250,000	\$ 250,000

The Governor recommends \$250,000 for final payment of the electronic medical records (EMR) pilot project in the St. Louis region.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION
STATE CHILDREN'S HEALTH INSURANCE PROGRAM**

H.B. Sec. 14.210	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	\$ 30,074,487	\$ 0	\$ 939,496
Federal Funds	136,877,562	0	5,469,049
Health Initiatives Fund	5,375,576	0	950,000
Premium Fund	6,000,000	0	13,541
Medicaid Managed Care Organization Reimbursement Fund	1,071,200	0	0
Federal Reimbursement Allowance Fund	7,719,204	0	0
Pharmacy Rebates Fund	225,430	0	0
Pharmacy Reimbursement Allowance Fund	<u>201,394</u>	<u>0</u>	<u>0</u>
TOTAL	\$ 187,544,853	\$ 0	\$ 7,372,086

Pursuant to the Congressional reauthorization of the State Children's Health Insurance Program, the Governor recommends \$7,372,086 for removal of premiums for 19,153 eligible children in the State Children's Health Insurance (SCHIP) Program under 225 percent federal poverty level (FPL), to implement a flat premium of \$50 for all children between 225 percent and 300 percent FPL, and to conduct outreach and enrollment efforts that are designed to increase participation of eligible children.

**DEPARTMENT SOCIAL SERVICES
MO HEALTHNET DIVISION
MO HEALTHNET SUPPLEMENTAL POOL**

H.B. Sec. 14.215	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	\$ 0	\$ 8,317,899	\$ 0
Federal Funds	24,107,486	11,668,707	11,668,707E
Uncompensated Care Fund	1	0	8,317,899E
Pharmacy Rebates Fund	1	0	1E
Federal Reimbursement Allowance Fund	1	0	1E
Premium Fund	3,837,940	0	1E
Third Party Liability Collections Fund	7,571,156	0	1E
Nursing Facility Federal Reimbursement Allowance Fund	<u>181,500</u>	<u>0</u>	<u>1E</u>
TOTAL	\$ 35,698,085	\$ 19,986,606	\$ 19,986,611

The Governor recommends \$19,986,611 on an open-ended basis for additional funds necessary to operate the MO HealthNet programs for Fiscal Year 2009.

**SUPPLEMENTAL APPROPRIATIONS
STATE AUDITOR**

H.B. Sec. 14.220	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
PERSONAL SERVICE			
General Revenue Fund	\$ 6,326,415	\$ 25,584	\$ 25,584
Federal Funds	482,270	0	0
Other Funds	897,998	0	0
EXPENSE AND EQUIPMENT			
General Revenue Fund	884,947	18,483	18,483
Federal Funds	30,123	0	0
Other Funds	34,227	0	0
TOTAL	\$ 8,655,980	\$ 44,067	\$ 44,067
General Revenue Fund	7,211,362	44,067	44,067
Federal Funds	512,393	0	0
Other Funds	932,225	0	0

The Governor recommends \$44,067 to certify property tax rates.

**OFFICE OF ADMINISTRATION
DIVISION OF FACILITIES MANAGEMENT, DESIGN AND CONSTRUCTION
OFFICE OF ADMINISTRATION – MULTI-TENANT**

H.B. Sec. 14.225	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
EXPENSE AND EQUIPMENT			
General Revenue Fund	\$ 0	\$ 356,353	\$ 314,178
Office of Administration Revolving Administrative Trust Fund	579,524E	0	0
TOTAL	\$ 579,524	\$ 356,353	\$ 314,178

The Governor recommends \$314,178 for the Fiscal Year 2009 operating expenses for Prince Hall. The collections from non-state tenants have not covered the cost of operations for the facility and the Office of Administration Revolving Administrative Trust Fund must be reimbursed.

**OFFICE OF ADMINISTRATION
DIVISION OF FACILITIES MANAGEMENT, DESIGN AND CONSTRUCTION
AGENCY-WIDE**

H.B. Sec. 14.230	ORIGINAL APPROPRIATION	CURRENT REQUEST	GOVERNOR RECOMMENDS
EXPENSE AND EQUIPMENT			
General Revenue Fund	\$ 0	\$ 1,381,287	\$ 835,727
Federal Funds	0	636,769	636,769
Other Funds	0	803,912	803,912
TOTAL	\$ 0	\$ 2,821,968	\$ 2,276,408

The Governor recommends \$2,276,408 for increased fuel and utilities costs.