



GOVERNOR OF MISSOURI

JEFFERSON CITY

65102

JEREMIAH W. (JAY) NIXON
GOVERNOR

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

April 10, 2015

Dear Member of the General Assembly:

Due to two developments that are relevant to the Fiscal Year 2016 budget, I am submitting a budget amendment that provides a path to avoid the draconian cuts to vital services proposed by the Senate, while at the same time ensuring a significant funding increase for education.

The proposal by the Senate to cut \$300 million in state and federal funds from the Department of Social Services, the Department of Mental Health and the Department of Health and Senior Services would result in devastating cuts to services that provide a lifeline to low-income seniors, abused and neglected children, and Missourians with disabilities.

Let me be very clear: these cuts were not necessary when the budget process began in January, they were not necessary when the House passed its budget, and they are not necessary now. This is especially true in light of two developments relevant to the Fiscal Year 2016 budget: improving economic conditions and passage of tax amnesty legislation, both of which will result in additional revenues for the upcoming year.

First, the General Assembly yesterday sent a tax amnesty bill to my desk, which will generate an additional \$60 million in the upcoming fiscal year.

Second, because of our improving economy, overall general revenue collections for the current fiscal year have exceeded the estimate of 4.6 percent that we all agreed to in December, increasing to 6.1 percent as of April 8. Higher growth in revenue in the current fiscal year (Fiscal Year 2015) means that we will start with a higher base, i.e. more revenue, for the next fiscal year (Fiscal Year 2016). As a result, the conservative consensus forecast of 3.6 percent growth for Fiscal Year 2016 will generate more revenue than originally planned.

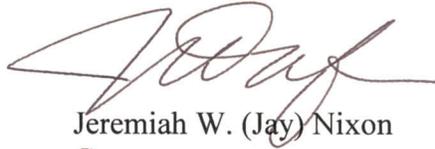
To review: I presented a balanced budget to the General Assembly in January that protected vital services for children and the disabled and increased funding for education, all while continuing to reduce the size of government. Since then, revenues have come in above initial projections and the legislature has passed tax amnesty that will provide even more dollars to support state services.

As a result, we can provide additional funding to public education while also protecting vital services for vulnerable Missourians. There is no reason whatsoever to make cuts to services

that rescue children from abusive homes, provide low-income seniors with healthy meals, treat Missourians with severe mental illness and help Missourians with disabilities live more independent lives.

That is why today, I am amending my budget by adding \$80 million in additional general revenue funding to protect those vital state services at the departments of mental health, health and senior services, and social services. This additional \$80 million in general revenue, coupled with the additional \$70 million in general revenue that the Senate set aside in its budget proposal will, when matched with additional federal dollars, fully restore the \$300 million in unnecessary cuts.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Nixon", written in a cursive style.

Jeremiah W. (Jay) Nixon
Governor