



GOVERNOR OF MISSOURI
JEFFERSON CITY
65102

JEREMIAH W. (JAY) NIXON
GOVERNOR

P.O. Box 720
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January 20, 2010

TO THE GENERAL ASSEMBLY AND THE PEOPLE OF MISSOURI:

The national and international economic crisis has led to very challenging times for Missourians. Although Missouri's unemployment rate has remained below the national average, it is still too high. Too many Missourians have lost jobs or are working fewer hours than before. These extraordinary economic challenges have led to declining revenues for state services. We have responded to this revenue shortfall by cutting costs, reducing the number of state employees, and making government leaner and more efficient.

I worked with the legislature last session to pass a budget that was balanced. Unfortunately, the national economic situation continued to deteriorate and revenue collections were below expectations, so I made additional spending cuts to ensure the budget stayed balanced. By carefully managing the budget situation, we have maintained Missouri's Triple-A credit rating from all three rating agencies; we are one of only seven states with that distinction. In fact, Moody's Investors Service named Missouri one of the top states positioned to lead the recovery.

Because it will take time for the state's revenue collections to rebound, the Fiscal Year 2011 budget will be austere. In order to balance the budget, my recommendations include the elimination of an additional 550 state positions, bringing the total reduction to nearly 1,800 since I took office. In addition, my budget will continue to reduce the administrative costs of state government – including leasing, utility, and contract costs. My budget proposals also include a thorough review of health care services to reduce taxpayer costs for both the Medicaid Program and state employees' health care coverage.

By balancing our budget without a tax increase, we are well positioned to move Missouri's economy forward. By focusing our limited resources on key areas – job creation, education, and health care – my Fiscal Year 2011 Budget will:

- Create an investment fund for one of the fastest growing sectors of the economy – science and technology to help attract and grow innovative, high-tech businesses;
- Increase funding for the Missouri Customized Training Program;
- Provide a record level of funding for K-12 classrooms through the Foundation Formula;
- Guarantee no tuition increases at Missouri's public colleges and universities; and
- Provide medically necessary, evidence-based therapies to children with autism who are served by the state Medicaid Program and state employee health care plan.

By continuing to work with the legislature in a bi-partisan fashion, we will enact a budget for Fiscal Year 2011 that builds upon our success of keeping the budget balanced, maintains our record of sound fiscal management, and invests in key areas to help move Missouri forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Nixon".

Jeremiah W. (Jay) Nixon
Governor