



GOVERNOR OF MISSOURI
JEFFERSON CITY
65102

JEREMIAH W. (JAY) NIXON
GOVERNOR

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January 19, 2011

TO THE GENERAL ASSEMBLY AND THE PEOPLE OF MISSOURI:

Missouri's economy is recovering from the national and international downturn, but we still have a long road ahead. Although we are seeing indications of growth in jobs and investment, the budget outlook for the upcoming fiscal year is still challenging, as revenue collections are projected to be \$700 million below three years ago. Together, we must keep fighting for every job, every day to get our economy moving forward.

Last session, the legislature and I worked together to pass a budget that was balanced and held the line on taxes. However, because revenue was recovering more slowly than anticipated, I made additional spending reductions in July to ensure the budget remained balanced. As a result of our actions to put our fiscal house in order, we have maintained Missouri's Triple-A credit rating from all three rating agencies. We are one of only eight states with that distinction.

Although Missouri's economy continues to improve, we must continue to exercise fiscal discipline as we prepare the Fiscal Year 2012 budget. My budget reflects additional measures to make state government smarter and more efficient, including reductions in leasing, travel, utility, and contract costs. My recommendations continue to downsize the state workforce, bringing the total reduction to more than 3,300 positions since I took office. By becoming more efficient, we will ensure that we have the necessary resources to invest in critical priorities, like job training, education and public safety.

My top priority continues to be getting Missourians back to work. As we have for the past two years, we will continue to move our economy forward in Fiscal Year 2012 by:

- Focusing every day on creating jobs: We will increase our investment in job training, streamline our economic incentives, and ensure Missouri is home to the next-generation manufacturing of the future;
- Making government smarter and more efficient: We will expand our efforts to cut costs, provide services online, and streamline operations;
- Investing in strong communities that attract good jobs: We will support Missouri families, invest in education, strengthen safe communities, and protect and preserve our natural resources; and
- Balancing the budget without raising taxes.

By continuing to work together, we will enact a budget for Fiscal Year 2012 that maintains fiscal discipline, that holds the line on taxes, and that invests in tools that will help us create jobs for Missourians. Together, we'll keep fighting for every job, every day.

Sincerely,

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

Jeremiah W. (Jay) Nixon
Governor