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Missouri FY 2013 Budget Shortfall to Reach \$800 Million
Shortfall Undermines State's Ability to Create Jobs and Invest in Future

The state of Missouri will face a budget shortfall nearing \$800 million in fiscal year (FY) 2013, making it more difficult than ever for the state to make vital investments to create jobs and boost our economy, according to a new analysis by the Missouri Budget Project. The shortfall is more than \$300 million more than previously estimated by the state.

Moreover, the state won't see relief soon. Even if Missouri state brings in as much revenue as predicted this year and continues modest growth each year, it still won't reach its pre-recession level of general revenue until FY 2016.

"Despite improving economic conditions, Missouri's budget remains in a deep hole," said Amy Blouin, Executive Director of the Missouri Budget Project. "To use a family analogy, while the state's still earning a paycheck, it's taken a huge pay cut in recent years. Just as groceries and gas keep getting more expensive, the state's costs have gone up with inflation. But we've lost pay - it will take another four years before the state will bring in as much as it did back in 2008."

Though the sluggish economy has been a factor in the state's revenue decline, the state's revenue woes are the result of long-term erosion in state revenue and decisions by state lawmakers to choose tax breaks for big profitable corporations over investing in education, transportation, and safety - investments that boost our economy both in the short- and long-term. Moreover, Missouri's general revenue remains extremely low by historic measures, resulting in a significant decline in the state's ability to invest in services.

"The people who came before us made the right decisions to build roads and schools, offer affordable college educations to state residents, and create safe communities," continued Blouin. "These are the kind of investments we need to help create jobs, but they become increasingly out of reach without increased revenue."

Next week, Governor Jay Nixon will unveil his fiscal year (FY) 2013 budget proposal.

To read the Missouri Budget Report, *New Year, Old Problem - Missouri Facing Major Budget Shortfall in FY 2013*, click [here](#) or visit:

www.mobudget.org/files/Missouri_Facing_Major_Budget_Shortfall_in_FY%202013.pdf.