

Missouri Budget Project E-News August 3, 2012

Issues

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1. **Transportation Funding Crises Has No Easy Answer**

The Missouri Department of Transportation (MODOT) faces a \$1.4 billion decline in total funding between fiscal years 2010 and 2016. The steep decline in available revenues comes at a time when costs are increasing dramatically. As a result, MODOT has assessed various funding options, state lawmakers have considered solutions, and most recently the Missouri Legislature established the [“Blue Ribbon Citizens Committee on Missouri’s Transportation Needs”](#) to study the financial situation and potential solutions.

The committee meets next on Monday, August 6 - 10:00 a.m. at the Gamber Center, 4 SE Independence Avenue, Lee's Summit, MO 64063

Although there is no easy solution to the funding problem, the Missouri Budget Project has evaluated the available possibilities in this new report, [“Stabilizing Missouri’s Highway Funding”](#), released today. MBP will be presenting its research to the committee on Monday.

2. **Implementing ACA Medicaid Provision Saves States Money!**

States are beginning to evaluate the impact of the Affordable Care Act (ACA) on state budgets, specifically the extension of Medicaid to individuals through 138 percent of the poverty level. States are finding not only a significant influx of federal funding, but also **striking decreases in state costs!**

Between fiscal years 2012 and 2020, [Maryland anticipates saving \\$672 million](#) in state funds.

[Arkansas anticipates \\$350 million](#) in reduced state costs.

The Medicaid provisions in the ACA are proving to be a good deal for state treasuries.

3. **State Revenue Continues Slow Recovery**

Net of refunds, state general revenue for fiscal year 2012 grew by 3.2 percent overall compared to the previous year. However, even with solid growth, the Missouri state revenue remains well below the level attained prior to the recession. Read more about [FY 2012 collections here](#), and more about what that really [means for Missouri services here](#).