



Senate Cuts Harmful to Vulnerable Missourians ***Lawmakers Should Reject Cuts in Conference***

April 12, 2015

Last week, the Senate approved a FY 2016 budget that would cut funding for services to some of Missouri's most vulnerable populations, such as foster children, seniors, and persons with developmental disabilities.

The Senate Budget Cuts Critical Services to Vulnerable Populations

- In total, the Senate budget cuts more than \$183.8 million from the House-approved budget for the Departments of Health & Senior Services, Mental Health, and Social Services as a result of unspecified 4 percent and 6 percent cuts that would be applied to portions of those Department budgets respectively. Examples of the types of services that may be cut are listed on the next page.
- Although the overall General Revenue Operating Budget would increase compared to the current year by \$91 million, services through the Departments of Health & Senior Services, Mental Health & Social Services would be reduced by \$23 million compared to FY 2015.

Anticipated Increases to Revenue Would Allow a Higher Overall Budget

- Missouri's tax collections are much stronger than anticipated for the current year, which could result in significantly more FY 2016 general revenue than legislators are budgeting.
- As a result of this growth, the state could end the current budget year with a balance, as well as see higher revenue collections than forecasted for FY 2016. General revenue tax collections as of March 31st are currently \$123 million higher than forecast. If the higher revenue trend continues, Missouri could end the current fiscal year with \$175 million more in revenue than expected.ⁱ

Significant Uncertainty and Instability in Program Services Results from the Senate Budget

- With the exception of a few specific programs, the Senate provides a lump sum appropriation for all services provided by the Departments of Health & Senior Services, Mental Health and Social Services, and applies a percentage cut to that lump sum. As a result, it's unclear how each specific program would be funded, lending considerable uncertainty to the stability of services. (Programs that were exempted from the lump-sum reductions include congregate and home delivered meals through the Area Agencies on Aging, Alzheimer's funding, regional Autism projects, and dental benefits for adults in Medicaid who currently do not receive dental services.)

Missouri Could Lose Federal Matching Dollars as a Result of the Cuts

- Many of the services delivered by the departments are eligible for federal matching funds. State general revenue cuts mean fewer dollars eligible for federal match, increasing both the size and impact of these cuts to services.

The General Assembly Loses Oversight of State Spending

- By providing lump sum appropriations to be allocated by the executive branch, the General Assembly loses its oversight of state spending, one of the specific responsibilities of the legislative branch. It is particularly puzzling that the legislature would give up this responsibility after its push for Amendment 10, which increased legislative control over budget decisions.

FY 2015 - FY 2016 Budget Comparison				
General Revenue				
	FY16 Governor	FY 16 House	FY 16 Senate	FY 15 Budget After Vetoes
Mental Health (HB 10)	\$726,215,413	\$744,793,296	\$702,327,314	\$702,214,408
Health & Senior Services (HB10)	\$329,598,285	\$336,231,578	\$54,270,746*	\$284,897,541
Social Services (HB 11)	\$1,579,027,568	\$1,589,393,783	\$1,730,014,700*	\$1,522,600,221
Total for 3 Departments	\$2,634,841,266	\$2,670,418,657	\$2,486,612,760	\$2,509,712,170
General Revenue Operating Budget for All Departments	\$8,818,765,183	\$8,896,689,604	\$8,790,428,182	\$8,699,393,636

Sources for all data: Missouri Senate Appropriations Committee - 2014 Annual Fiscal Report – Fiscal Year 2015; Missouri Senate Appropriations Staff FY 2016 Budget Tracking Sheets as of April 10, 2015, and Missouri Office of Administration – Division of Budget and Planning

**Note: The Senate moved Home and Community Based Services funding of \$230 million from the DHSS budget to the DSS budget, which skews the total amounts for those budgets and masks the impact of the cuts. MBP recommends comparing the total for the three departments combined to get a sense of impact.*

The General Assembly should stick closely to the House versions of HB 10 and HB 11 and pass a final budget that does not include these cuts.

Services that would be subject to the Senate’s proposed cuts:ⁱⁱ

- Treatment services for children who have been abused or neglected, crisis care for children and child abuse prevention;
- Funding for Foster Care and Adoption families;
- Community support services for Missourians with developmental disabilities, impacting care for 13,000 Missourians;
- Community services for adults and children with mental illness, impacting as many as 147,000 Missourians;
- State Psychiatric Hospitals and Habilitation Centers impacting 1,600 patients;
- Child care for working parents in low-income families, impacting as many as 40,000 children;
- Health care for low income children (CHIP);
- Community public health programs;
- Funding provided for services within the Area Agencies on Aging;
- Low Income Home Energy Assistance;
- Community Partnerships;
- Work supports for low-income families, summer jobs and foster care jobs programs;
- Home & Community-based services for people with disabilities and seniors; and
- Women’s health services.

ⁱ While the current year’s budget expected a 4.6 percent growth rate, as of March 31st, general revenue tax collections are coming in at a rate of 6.8 percent compared to last year. If this trend continues, the state will end the current budget year with \$175 million more than expected. As of March 31st, Missouri revenue is already \$123 million higher than anticipated. That funding could carry over and be used in the FY 2016 budget. Further, if the state ends the current year with higher revenue collections than anticipated, the revenue projections for the FY 2016 budget would also be higher than originally forecast as revenue growth would start from a higher base. In addition, lawmakers approved of the Tax Amnesty proposal, and will have additional lapse funds and fund transfers available for the next year’s budget. These amounts would add at least \$200 million in additional revenue to the funding base.

ⁱⁱ In addition, although the Senate Budget protected funding for rate increases for providers of children’s treatment services and mental health care, those providers’ core funding is placed at risk within the lump sum appropriation, which is likely to result in a net decrease in funding overall for providers.