

## Administrative Memo

**Date:** May 21, 2014  
**To:** Missouri School Administrators  
**From:** Ronald Lankford  
**Subject:** FAS-14-006 – Governor Withholdings

On May 20, 2014, Governor Nixon announced that it would be necessary to withhold an additional \$10,500,000 from higher education and \$24,575,847 from the K-12 education budget due to declining lottery and riverboat gaming revenue. This withholding is in addition to the \$3.2 million that was withheld from public higher education institutions and the \$15.6 million from the K-12 education budget earlier this year. The primary question being asked of us today is “what will that do to the percentage toward full funding in the June payment as compared to the 0.93281027 multiplier in May?”

Since the final payment for FY14 is still several days away it is not possible to provide an exact figure at this time. Throughout the year the Department has been concerned that the appropriation level for the Classroom Trust Fund (CTF) could not be achieved. As a result, caution was used in projections of CTF funds to flow through disbursements. Additional concerns arose relative to lower than projected forecasts for Lottery, Foreign Insurance, and Fair Share revenues, which resulted in even greater caution relative to Basic Formula appropriation disbursements. The ultimate goal was to mitigate these realities in such a way as to decrease the likelihood of a significant negative adjustment in June.

Earlier today, the finance and administrative staff met to discuss the restrictions and assess their impact in the final payment. We again emphasize that the final percentage multiplier will not be determined until closer to the payment date. We can say, however, that we are reasonably confident that due to the disbursement decisions made throughout the year, the percentage multiplier should not be significantly different than it was in May. If this analysis holds true formula disbursements should not see a significant negative correction due to the necessary restriction announced yesterday.