



# BUDGETING STRATEGIES: 10 IDEAS TO GET MISSOURI'S SPENDING BACK ON TRACK

## 1 START FRESH

Imagine you're a new CEO taking over an established business. One of the most important things you can bring to the table is a fresh set of eyes. Starting a budget from scratch is the best way to quickly get up to speed on how the government is working so that you can question old assumptions and perceived limitations.

**Action: Implement zero-based budgeting.**

## 2 SEPARATE NEEDS FROM WANTS

In every budget there are spending items that are considered mandatory and those that are discretionary. Don't immediately accept decisions made by previous administrations about what really "needs" funding. Understanding the consequences of declining to fund various priorities is an essential step to reining in spending.

**Action: Departments rank previous year's mandatory spending items.**

## 3 FOCUS ON PERFORMANCE

Unlike most businesses, governments don't always devote sufficient resources to measuring performance or outcomes. As a result, many programs that sound good in theory have little or no evidence supporting them. Setting clear goals and expectations and then funding accordingly is a common-sense way to ensure that all taxpayer dollars are put to good use.

**Action: Critically evaluate current performance metrics and outputs. Fund accordingly.**

## 4 YOU CAN'T FIX WHAT YOU CAN'T MEASURE

Several of Missouri's information technology (IT) systems devoted to programs that are responsible for billions in state spending each year (Medicaid, unemployment, and others) are decades out of date and incapable of providing the data quality that should be expected in 2024. As a result, Missouri cannot accurately measure program performance. Upgrading the IT infrastructure so that the state can collect the best and most pertinent data for measuring performance would require a significant investment of resources, but it would pay dividends in the future.

**Action: Invest in upgrading outdated IT systems.**

## 5 SEARCH FOR EXCESS, WASTE, AND DUPLICATION

Missouri's government likely suffers from serious overlap and duplication of services across its 17 executive departments. Searching for these types of inefficiencies, figuring out which programs are prone to excess or waste, and determining what could be done today to make government more efficient for years to come would be money well spent.

**Action: Order performance/efficiency audits of executive departments.**

**6****TAKE THE LONG VIEW**

Rome wasn't built in a day, and Missouri's budget won't be fixed entirely in one budget cycle. Taking the opportunity to begin meaningfully reforming Missouri's government by making smart investments today with a clear-eyed view of what the next 5 to 10 years may bring will reap long-term dividends while also helping prepare for any challenges ahead.

**Action: Craft a balanced 5-year budget.**

**7****EXPLORE  
EMERGENCY  
OPTIONS**

Missouri's Constitution has a balanced-budget requirement, and when an economic emergency occurs mid-fiscal year it is the Governor's responsibility to bring the budget into balance. Crafting a budget with line items in mind that could easily be rolled back in case of emergency can be an enormously helpful practice. More broadly, understanding the balance and limitations of Missouri's existing rainy-day fund provides useful context for the state's economic emergency preparation.

**Action: Conduct emergency exercise with departments and draft preliminary expenditure restriction list.**

**8****FOCUS ON  
TRANSPARENCY**

Information on Missouri's budget is extremely hard to find and even harder to analyze. Given how difficult the budget can be for taxpayers (and elected officials) to understand, any efforts at serious budgetary reform should be accompanied by improved transparency and data accessibility.

**Action: Make budget documents more consumer friendly and downloadable in Microsoft Excel formats.**

**9****PUSH BACK  
AGAINST FEDERAL  
GOVERNMENT**

Over the last several decades, the federal government has taken an increased role in shaping Missouri's budget. Today, nearly 50 percent of the state's total spending comes from Washington, D.C., and most of those funds come with strings attached. Investigating ways to disentangle Missouri from those restrictions, and pushing back wherever possible, will help ensure that state tax dollars are advancing Missouri's interests rather than Washington's.

**Action: Compile list of federal strings attached to current spending obligations.**

**10****COMPARE TO  
NEIGHBORS / HOW  
TO MAKE MISSOURI  
BEST IN NATION**

Many of Missouri's government programs are not unique to our state, and there's no need to reinvent the wheel. Taking valuable insights from what other states do well—and not so well—can offer much-needed guidance for how to improve the efficiency and effectiveness of Missouri's government.

**Action: Develop strategies for making each applicable government program the best in the country.**

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