

Journal of the Senate

FIRST REGULAR SESSION

FIFTH DAY—WEDNESDAY, JANUARY 15, 2003

The Senate met pursuant to adjournment.

Absent with leave—Senators—None

President Maxwell in the Chair.

The Lieutenant Governor was present.

Reverend Carl Gauck offered the following prayer:

“Inquire first for the word of the Lord.” (2 Chronicles 18:4)

Lord God, it is often hard to listen. Our first response to life’s ordeals is often to venture out on our own. So we pray open us to first seek Your Word during these difficult times and help us to listen to Your teachings and use them in our work here. In Your Name we pray. Amen.

The Pledge of Allegiance to the Flag was recited.

A quorum being established, the Senate proceeded with its business.

The Journal of the previous day was read and approved.

The following Senators were present during the day’s proceedings:

Present—Senators

Bartle	Bland	Bray	Caskey
Cauthorn	Champion	Childers	Clemens
Coleman	Days	DePasco	Dolan
Dougherty	Foster	Gibbons	Goode
Griesheimer	Gross	Jacob	Kennedy
Kinder	Klindt	Loudon	Mathewson
Nodler	Quick	Russell	Scott
Shields	Steelman	Stoll	Vogel
Wheeler	Yeckel—34		

COMMITTEE APPOINTMENTS

President Pro Tem Kinder submitted the following committee appointments, pursuant to **HCR 1**: Senators Clemens, Dolan, Griesheimer, Klindt, Yeckel, Bland, Coleman, DePasco, Dougherty and Stoll.

MESSAGES FROM THE HOUSE

The following message was received from the House of Representatives through its Chief Clerk:

Mr. President: I am instructed by the House of Representatives to inform the Senate that the Speaker has appointed the following Representatives to act with a like committee from the Senate pursuant to **HCR 1**. Representatives Roark, St. Onge, Behnen, Byrd, Dempsey, Jetton, Bringer, Villa, Curls and Shoemyer.

RESOLUTIONS

Senator Klindt offered Senate Resolution No. 21, regarding Kyle Hadley Chenoweth, Trenton, which was adopted.

Senator Klindt offered Senate Resolution No. 22, regarding the Fiftieth Wedding Anniversary of Mr. and Mrs. William Downey, Hamilton, which was adopted.

Senator Klindt offered Senate Resolution No. 23, regarding the Fiftieth Wedding Anniversary of Mr. and Mrs. Kenneth Garrett, Wichita, Kansas, which was adopted.

Senator Steelman offered Senate Resolution No. 24, regarding the Waynesville R-VI School District Board of Education, Waynesville, which was adopted.

Senator Steelman offered Senate Resolution No. 25, regarding Robert Knight, Waynesville, which was adopted.

Senator Klindt offered Senate Resolution No. 26, regarding the Fiftieth Wedding Anniversary of Mr. and Mrs. Leroy Worley, Apache Junction, Arizona, which was adopted.

Senator Wheeler offered Senate Resolution No. 27, regarding Thomas M. Maddox, Kansas City, which was adopted.

Senator Griesheimer offered Senate Resolution No. 28, regarding Joseph Pautler, Union, which was adopted.

Senator Klindt offered Senate Resolution No. 29, regarding the Fiftieth Wedding Anniversary of Mr. and Mrs. Wayne Hoover, Princeton, which was adopted.

Senator Shields offered the following resolution, which was referred to the Committee on Rules, Joint Rules, Resolutions and Ethics:

SENATE RESOLUTION NO. 30

Notice of Proposed Rule Change

BE IT RESOLVED by the Senate of the Ninety-second General Assembly, First Regular Session, that Senate Rule 95 be amended to read as follows:

“Rule 95. 1. Notetaking and writing in the Senate Gallery is permissible, but no person shall enter the Senate Gallery with any typewriter or recording device. Laptop computers may be used by **members of the senate at their desks and by** the press at the press table in the Senate Chamber. No person shall take any photograph in the Senate Gallery. Persons with cameras, flash cameras, lights, or other paraphernalia may be allowed to use such devices at committee meetings with the permission of the Chairman as long as

they don't prove disruptive to the decorum of the committee. Smoking is not permissible in the Senate Chamber or Gallery, committee rooms, lounge, the hallways, restrooms or elevators.

2. For the purpose of compliance with the Americans with Disabilities Act, the President Pro Tem may designate a portion of the Senate Chamber as handicap accessible and such areas shall not be considered a part of the floor of the Senate for the purposes of section 21.420, RSMo. Persons using such area shall not lobby members of the Senate while going to and from or while using the designated area.”.

CONCURRENT RESOLUTIONS

Senator Bland offered the following concurrent resolution:

SENATE CONCURRENT RESOLUTION NO. 2

WHEREAS, current studies indicate that children left at home alone and unsupervised have lower academic test scores, have higher absentee rates at school, exhibit higher levels of fear, stress, nightmares, loneliness, and boredom, are 1.7 times more likely to use alcohol, and are 1.6 times more likely to smoke cigarettes; and

WHEREAS, recent data shows that violent juvenile crime rates soar and children are most likely to be victims of a violent crime committed by a nonfamily member between the hours of 3 p.m. and 8 p.m., the hours immediately after school; and

WHEREAS, according to the National Center for Juvenile Justice, children are at greater risk of being involved in crime, substance abuse, and teenage pregnancy in the hours after school, especially between the hours of 3 p.m. and 4 p.m.; and

WHEREAS, the most common activity for children after school is watching television, resulting in an average 23 hours of television watching per week; and

WHEREAS, the parents of more than 800,000 Missouri school-age children work outside the home; and

WHEREAS, according to the estimates of the Urban Institute of the United States Census Bureau, at least 7 million and as many as 15 million "latchkey children" return to an empty house on any given afternoon; and

WHEREAS, in the United States, families worry about their children being unsafe and having too much idle, unsupervised time; and

WHEREAS, the United States Departments of Education and Justice report that children in quality out-of-school programs have better academic performance, school attendance, behavior, and greater expectations for the future; and

WHEREAS, children who attend high quality out-of-school

programs have better peer relations, emotional adjustment, conflict resolution skills, grades, and conduct in school compared to their peers who are not in out-of-school programs; and

WHEREAS, children who attend out-of-school programs spend more time in learning opportunities, academic activities, and enrichment activities, and spend less time watching television than their peers; and

WHEREAS, children who attend out-of-school programs miss fewer days of school, have better homework completion, better school behavior, and higher test scores; and

WHEREAS, the United States Congress has recognized the beneficial impact of out-of-school programs to our youth, and has increased the funding of out-of-school programs administered by the Missouri Department of Elementary and Secondary Education; and

WHEREAS, 92% of all Americans believe there should be organized activities for all youth during out-of-school hours; and

WHEREAS, it is estimated that less than 25% of all school-age children attend any out-of-school program, leaving 75% of our youth without a safe, supportive, and enriching environment during the unsupervised hours after the formal school day ends; and

WHEREAS, the Joint Interim Committee on After-School Programs has studied several of the above-mentioned issues during the tenure of the Ninety-first General Assembly and recommends that a similar study committee be established to continue the study during the tenure of the Ninety-second General Assembly:

NOW, THEREFORE, BE IT RESOLVED by the members of the Senate of the Ninety-second General Assembly, First Regular Session, the House of Representatives concurring therein, that the "Joint Legislative Committee on Out-of-School Programs" be created to be comprised of five members of the Senate, appointed by the President Pro Tem of the Senate and the Senate Minority Floor Leader and five members of the House of Representatives, appointed by the Speaker of the House of Representatives and the House Minority Floor Leader; and

BE IT FURTHER RESOLVED that the committee continue and expand the in-depth studies conducted by the prior Joint Interim Committee on After-School Programs and to make a comprehensive analysis of the quantity and quality of Missouri out-of-school programs, including the solicitation of information from appropriate state agencies, public schools, youth development organizations, law enforcement agencies and juvenile officers, youth development and education experts, and the public (including youth) regarding the status of out-of-school programs; and

BE IT FURTHER RESOLVED that the committee, in consultation with the Departments of Elementary and Secondary Education, Social Services, and all other relevant agencies, make recommendations for an efficient and effective development plan to

provide the opportunity for every Missouri school-age child to access quality out-of-school programs and design a system to train, mentor, and support out-of-school programs, and thereby guarantee their sustainability; and

BE IT FURTHER RESOLVED that the committee be authorized to hold hearings as it deems advisable, and that the staffs of Senate Research, House Research, and the Committee on Legislative Research provide such legal, research, clerical, technical, and bill drafting services requested by the committee; and

BE IT FURTHER RESOLVED that the General Assembly endorses all of state government to enthusiastically encourage our citizens to engage in innovative out-of-school programs and activities that ensure that all Missouri school-age children are not only safe, but also productive when the school day ends; and

BE IT FURTHER RESOLVED that the committee report its recommendations and findings to the General Assembly by January 1, 2005, and the authority of such committee shall terminate on December 31, 2004, unless reauthorized.

INTRODUCTION OF BILLS

The following Bills and Joint Resolution were read the 1st time and 1,000 copies ordered printed:

SB 255—By Kinder.

An Act to repeal section 393.110, RSMo, and to enact in lieu thereof one new section relating to the public service commission's jurisdiction of consumer-owned electric corporations.

SB 256—By Goode, Yeckel, Kennedy, Bray, Days and DePasco.

An Act to repeal section 565.030, RSMo, and to enact in lieu thereof one new section relating to the imposition of the death penalty.

SB 257—By Steelman.

An Act to amend chapter 383, RSMo, by adding thereto nine new sections relating to medical malpractice.

SB 258—By Steelman.

An Act to repeal section 238.230, RSMo, and to enact in lieu thereof one new section relating to transportation development districts.

SB 259—By Steelman.

An Act to repeal section 304.351, RSMo, and to enact in lieu thereof one new section relating to right-of-way at intersections, with penalty provisions.

SB 260—By Stoll and Mathewson.

An Act to repeal section 163.191, RSMo, and to enact in lieu thereof one new section relating to appropriations for community college district maintenance funds.

SB 261—By Clemens.

An Act to amend chapter 301, RSMo, by adding thereto one new section relating to special license plates.

SB 262—By Clemens.

An Act to repeal sections 143.121 and 143.124, RSMo, and to enact in lieu thereof two new sections relating to income taxation of certain retirement benefits, with an effective date.

SB 263—By Jacob.

An Act to repeal sections 610.106 and 610.110, RSMo, and to enact in lieu thereof two new sections relating to the closing of criminal records.

SB 264—By Shields.

An Act to repeal section 165.016, RSMo, and to enact in lieu thereof one new section relating to salary compliance.

SB 265—By Shields and Scott.

An Act to repeal sections 161.092 and 168.021, RSMo, and to enact in lieu thereof two new sections relating to certificates of license to teach, with penalty provisions.

SB 266—By Shields.

An Act to amend chapter 633, RSMo, by adding thereto one new section relating to services for persons with developmental disabilities.

SB 267—By Shields.

An Act to repeal section 160.720, RSMo, and

to enact in lieu thereof one new section relating to priority schools.

SB 268—By Loudon and Goode.

An Act to amend chapter 537, RSMo, by adding thereto one new section relating to civil actions.

SB 269—By Quick.

An Act to amend chapter 67, RSMo, by adding thereto one new section relating to a city sales tax for public safety, with an emergency clause.

SB 270—By Foster and Dolan.

An Act to amend chapters 43 and 301, RSMo, by adding thereto two new sections relating to the creation of the highway patrol's trust fund, with an emergency clause.

SB 271—By Jacob.

An Act to repeal sections 142.803, 301.057, 301.265, 302.735, 304.010, and 622.030, RSMo, and to enact in lieu thereof six new sections relating to transportation.

SB 272—By Bland, Shields, Coleman, Wheeler and DePasco.

An Act to repeal sections 135.478 and 135.481, RSMo, and to enact in lieu thereof two new sections relating to tax credits for distressed communities.

SB 273—By Bland, Wheeler and Bray.

An Act to repeal sections 92.402 and 92.418, RSMo, and to enact in lieu thereof two new sections relating to a public mass transportation system sales tax.

SJR 14—By Jacob.

Joint Resolution submitting to the qualified voters of Missouri, an amendment repealing section 18 of article X of the Constitution of Missouri, and adopting one new section in lieu thereof relating to limitation on state revenues.

Senator Gibbons moved that the Senate recess to repair to the House of Representatives to receive the State of the State address from His Excellency, Governor Bob Holden, which motion prevailed.

JOINT SESSION

The Joint Session was called to order by President Maxwell.

On roll call the following Senators were present:

Present—Senators

Bartle	Bland	Bray	Caskey
Cauthorn	Champion	Childers	Clemens
Coleman	Days	DePasco	Dolan
Dougherty	Foster	Gibbons	Goode
Griesheimer	Gross	Jacob	Kennedy
Kinder	Klindt	Loudon	Mathewson
Nodler	Quick	Russell	Scott
Shields	Steelman	Stoll	Vogel
Wheeler	Yeckel—34		

Absent Senators—None

Absent with leave—Senators—None

On roll call the following Representatives were present:

Present—Representatives

Abel	Adams	Angst	Avery
Baker	Barnitz	Bean	Bearden
Behnen	Bishop	Bivins	Black
Bland	Bough	Boykins	Bringer
Brooks	Brown	Bruns	Burnett
Byrd	Campbell	Cooper 120	Cooper 155
Corcoran	Crawford	Crowell	Cunningham 145
Cunningham 86	Curls	Darrough	Daus
Davis 122	Davis 19	Deeken	Dempsey
Dethrow	Dixon	Donnelly	Dougherty
Dusenberg	El-Amin	Emery	Engler
Ervin	Fares	Fraser	Goodman
Graham	Green	Guest	Hampton
Harris 110	Harris 23	Haywood	Henke
Hilgemann	Hobbs	Holand	Hoskins
Hubbard	Hunter	Icet	Jackson
Jetton	Johnson 47	Johnson 61	Johnson 90
Jolly	Jones	Kelly 144	Kelly 36
King	Kratky	Kuessner	Lager

Lembke	LeVota	Liese	Lipke
Lowe	Luetkemeyer	Marsh	May 149
Mayer 159	McKenna	Meiners	Merideth
Miller	Moore	Morris	Muckler
Munzlinger	Myers	Nieves	Page
Parker	Pearce	Phillips	Portwood
Pratt	Purgason	Quinn	Ransdall
Rector	Richard	Roark	Ruestman
Rupp	Sager	Salva	Sander
Schaaf	Schlottach	Schneider	Schoemehl
Seigfreid	Selby	Self	Shoemaker
Shoemyer	Skaggs	Smith 118	Smith 14
Spreng	St. Onge	Stefanick	Stevenson
Sutherland	Taylor	Thompson	Threlkeld
Townley	Viebrock	Villa	Vogt
Wagner	Walker	Wallace	Walsh
Walton	Ward	Wasson	Whorton
Wildberger	Willoughby	Wilson 119	Wilson 130
Wilson 25	Wilson 42	Witte	Wood
Wright	Yaeger	Yates	Young
Zweifel	Madam Speaker—158		

Absent and Absent with Leave—Representatives

Carnahan	George	Kingery	Lawson
Reinhart—5			

The Joint Committee appointed to wait upon His Excellency, Governor Bob Holden, escorted the Governor to the dais where he delivered the State of the State Address to the Joint Assembly:

STATE OF THE STATE ADDRESS

By

Governor Bob Holden

January 15, 2003

Mr. President, Madame Speaker, Mr. President Pro Tem, Distinguished State Officials, Mr. Chief Justice, Honored Members of the Missouri Supreme Court, Members of the 92nd General Assembly, First Lady Lori Hauser Holden, and Citizens of the State of Missouri:

I come before you today, the 15th of January, on the anniversary of the birth of one of our greatest American leaders, Dr. Martin Luther King, Jr.

Had his life not been tragically ended at the age of 39, he would be 74 today.

Yet in that short life span, the words he spoke and the principles he stood for...fought for...and died for...had such an impact that they continue to help chart our course today.

In the face of threats and intimidation that he and other civil rights leaders faced, Dr. King taught us the important lesson of

perseverance.

And, he warned us against the temptation of "wallowing in the valley of despair."

He had a Dream...and in spite of seemingly impossible obstacles, he held firm to that Dream.

Today, Dr. King's wisdom and leadership can guide us as we move forward in challenging times.

President Franklin Roosevelt faced such times.

He faced the greatest economic depression this country has ever known, and he taught us that when you lead with "frankness and vigor," you are met with "understanding and support."

Our own Harry Truman faced tough economic times as President.

Yet he offered the American people straight talk and a plan...a plan he called his Fair Deal.

This plan proposed reforms and some tough medicine, but it did not sacrifice the future.

Instead it protected the future by emphasizing education and research.

From these leaders we have learned to have a dream...to have perseverance...to be honest about our situation...and to have a plan to move forward.

Like these leaders, we must overcome the challenges of the present.

We must turn our challenges into opportunities.

Each of you has come here to do your best for your district and the people you represent.

Some of you are returning for your final term as a state senator or state representative.

You have a unique opportunity to offer wisdom, experience, and knowledge to help us meet the most challenging budgetary situation faced by our state since the Great Depression.

Many of you are here for the very first time.

Never before have these chambers had such an influx of new faces.

And for the first time in years, we have a divided government...with one party controlling the executive branch and another controlling the legislature.

Cynics might say that this kind of divided government cannot work.

For the sake of the people of the State of Missouri, I say it must!

I welcome your energy and enthusiasm.

I welcome your new ideas.

To each and every one of you, I want to reiterate what I said November 7th, following your election.

I want to work with anyone—Democrat or Republican, veteran legislator or freshman—who comes here to help move our state forward.

We must all remember why the voters sent us here.

In the weeks ahead, you will hear a lot about bills and amendments, hearings and caucuses, appropriations and withholdings, and thousands of other things.

But at the end of the day, our work isn't about any of that.

Our work is about people.

Our work is about those people back home who have put their trust in us.

This job is about what we can do to help our citizens live decent lives and help our children grow up safe, well educated, and ready to work.

It is about providing jobs for our workers and helping our seniors retire in dignity.

The citizens of Missouri look to us for all these things.

They look to you and me to lead through challenging economic times.

Some may think that we must stop dead in our tracks in our efforts to make Missouri a better place to learn, work, and live. Some may think our days of progress are over.

I reject that!

In tough times, it is more important than ever that we continue to lead and to achieve.

Let's look at all we have accomplished.

In the past two years, we increased funding for education at the elementary and secondary level, while 17 other states chose to cut funding for education.

We've made real progress in our schools.

Reading scores are up.

ACT scores are up.

Our school dropout rate is down.

We have doubled the number of teachers who are nationally board certified.

We've added character education programs and accountability programs.

We now have individual school report cards and parents can go on-line to see how their child's school sizes up.

At our universities, we've increased support for life sciences because we know this is the key to our future knowledge-based economy.

We passed landmark legislation to improve health care for women.

We have continued our MC + for Kids program, providing

health care for previously uninsured children.

And we've done something the federal government has failed to do—we passed a prescription drug plan for our seniors.

We've made all these accomplishments while maintaining our Triple A bond rating.

Only seven other states have such a high rating.

This top rating means the financial market has the highest confidence in our management ability.

We were the first state in the nation to create an Office of Homeland Security.

I pulled together leaders from many different professions--health, emergency services, transportation, and law enforcement --to improve security at every level.

Because of their work, we have already seen improvements in communications and law enforcement and emergency response efforts that will serve us well in a variety of situations.

We have accomplished all of these things, while keeping the budget in balance, as our constitution requires.

Now is not the time to turn back.

JOBS AND THE ECONOMY

As we look to the future, our single most important priority can be summed up in one word—"jobs."

We must make every effort both to hold on to our good jobs and to move our state more rapidly into the new "knowledge-based economy" of the future.

As you know, the current national economy has not produced a net gain of even one single job during the last two years.

In fact, there has been a net loss of jobs nationally.

In Missouri we must put together a job stimulus effort that makes the right choices that will pay off for the long term.

I am proposing several actions today to help Missouri hold on to good paying manufacturing jobs and to help our state plan for the future.

First, I am calling for a one-percentage point reduction in the corporate tax rate.

If we make certain all businesses pay their fair share, we can broaden our tax base, and we can provide some stimulus to small businesses and all those good corporate citizens in Missouri who are working hard and paying their fair share.

Reducing the corporate tax rate will provide support for Missouri businesses in a time of economic challenge with the goal of growing the economy and creating jobs.

Second, I want to provide the right incentives to protect the right jobs already in Missouri.

Currently, our economic incentive programs primarily concentrate on attracting new businesses to our state.

We must tailor more of our incentives to retain good

companies already in Missouri.

It makes no sense to offer incentives to attract companies to Missouri that provide low paying jobs, while Missouri employers with higher wages may be looking elsewhere.

We will insist these incentives be tied to important capital investments such as retooling or investing in new technologies.

In St. Louis alone, this change would help protect the jobs of about 2,600 people with salaries averaging over \$60,000 a year at the Hazelwood Ford Plant.

Missouri's economic future also depends on a quality total transportation system.

However, the public has expressed a lack of confidence in the current structure, and we cannot address underfunding until we address accountability.

That is why I am proposing a constitutional amendment that would transfer responsibility for managing the department to the Governor, effective 2005.

If we are to move forward on transportation, the public must know whom to hold accountable.

Finally, we must make Missouri a leader in the new "knowledge-based" economy of the future.

The critical foundation of this effort--the key to Missouri's future---is--and must always be--education.

Improving education in our state is the most important step we can take to provide better opportunities for our children and to improve our climate for the knowledge-based economy.

And as we advance to the economy of the future, our investment in higher education becomes even more important.

Investments made in our universities...made when our economy was stronger...were the right investments to make.

Missouri is now poised to move forward in the knowledge-based economy by focusing on innovation and the critical areas of the life sciences, advanced manufacturing, and information technology.

But to quote the Chancellor at the University of Missouri—Columbia, it takes a long time to build up a major research university—one that contributes to our economy and one that competes with other major universities.

And just a short time to tear one down.

Support for our universities is an investment in the jobs of the future.

And that is why I also urge all businesses and corporations in this state to strengthen their commitment to higher education.

Because if you are in business in Missouri, the benefits of a strong higher education system flow directly to you—from the quality of your future workforce to the research that provides advances in agriculture, technology, life sciences, biotechnology, and advanced manufacturing.

I am taking two steps to strengthen the link between our businesses and higher education.

I am appointing a Commission on the Future of Higher Education.

This voluntary commission will make recommendations on how we can find ways to strengthen the link between higher education and economic growth in our state, how we can improve higher education overall in Missouri, and identify any new funding sources for our colleges and universities.

Second, I have called for a new alliance between businesses and our universities.

I have asked leaders in higher education and in the private sector to create the Research Alliance of Missouri to coordinate research and provide more access to technology for Missouri businesses.

They start their work today.

By these two steps, we can better direct and connect higher education and the economy.

We must make our colleges, universities, and technical schools the engines that fuel our economy of the future.

MISSOURI'S CURRENT BUDGET

We must also resolve our budget situation if we are to move our state forward.

Missouri now faces a projected one billion-dollar budget shortfall.

Former Governor Ashcroft's budget director has briefed business leaders in this state to help them better understand the significance of this shortfall.

Perhaps some of you have seen his presentation, in which he points out that only \$6.8 billion of our budget is state general revenue.

The remainder of the budget is federal money earmarked for specific services and dedicated state funds such as money for highways.

This \$6.8 billion is what you and I directly control.

One half of that goes to education—K-12 and higher education.

The other half goes into critical services for the mentally ill, the disadvantaged, and ensuring public safety.

In fact, more than half of the general revenue funded employees in Missouri state government work in our 24-hour institutions ---our prisons, mental health hospitals, veterans homes, and group homes.

A one billion dollar shortfall in a \$6.8 billion budget leaves few good options.

We have a challenge...as do forty-five other states.

Time magazine reports that states are facing the most severe

budget crisis since World War II.

Our neighbor Kansas, with a budget about half our size, has a \$1 billion shortfall over two years.

Our neighbor to the East, Illinois, has a \$5 billion deficit.

And California has a \$35 billion shortfall.

These examples are telling evidence of the weakness in our national economy.

But knowing that other states share this dilemma does nothing to solve the problems here.

We have to do that ourselves, and it will take a united, focused effort on the part of those in this room today.

It is time for some plain Missouri talk.

To those who suggest we need to cut spending, let me assure you we have... and we will continue to reduce the size of government.

But if we are to be honest, we must acknowledge that already Missouri ranks near the bottom in per capita spending by state government.

In fact, we are 44th in per capita spending.

And if we are to be honest, we must acknowledge the progress we have already made to streamline government.

During the past two years, my administration has done more to reduce the size of government than any other administration --Democrat or Republican --in recent history.

In two years, we have cut \$900 million from the budget and more than 1,000 state jobs to meet the constitutional obligation of keeping the budget balanced.

Last week I approved additional withholdings just to keep our budget balanced through the end of June.

Because of declining revenue due to the national economy, we still have a shortfall in this year's budget, which ends June 30.

One of your first orders of business in this session must be to approve an appropriation for the securitization of the tobacco settlement.

Without this action, deep cuts in education and other vital services will be necessary.

I trust you will see the wisdom of following through and implementing tobacco securitization, as you overwhelmingly approved it last year.

Despite all these efforts, we still have a one billion dollar shortfall next year.

Today I am announcing my plan to meet both our constitutional responsibility to balance the budget and our civic responsibility to provide for the well being of our citizens.

We have combed the budget...department by department...program by program...line by line...looking for savings.

The actions I am announcing today will bring the total reductions I have had to make to \$1.1 billion.

We are making every appropriate effort to cover next year's shortfall, reduce the size of government, and live within our means.

But, to cover the shortfall in cuts alone would require making one billion dollars in additional reductions.

And would require actions that you and I cannot accept.

Some states already have resorted to such actions.

More than 100 school districts in seven states...states like Arkansas and Colorado—are now shutting down their public schools one day a week.

In California, the Governor has called for reductions in health care spending that will deny service to at least 209,000 needy people.

Kentucky has released 567 prison inmates.

This is a road I am not willing to take.

Members of this General Assembly: we are at a crossroads in this state.

We can take the road of the one billion-dollar cut--which leads us backward.

This road leads to deep cuts in education, massive layoffs, and significant cuts to vital state services.

Or we can take a better road...the road forward.

One that continues our progress to streamline government, but one that protects and maintains critical services and also leads us to a brighter future.

We can take a road that provides better opportunities for our children and the job producing economy of the future.

Today I am calling on you to take the second road by embracing a new budget plan...one I call the Fair Share Plan.

FAIR SHARE BUDGET

I began discussion of this new plan with legislative leaders last September.

Then I went to other locations throughout the state to share my concerns about the budget with our citizens and to seek their input.

Time and time again, these Missourians told me they did not want vital services cut.

And time and time again, they recognized that an investment in education is an investment in jobs.

The people of Missouri have said they want their priorities funded.

Today I come to you with a plan that protects those priorities...one that continues our efforts to reduce the size of government, but one that does not sacrifice our future.

One important element of this Fair Share Budget is to close

special interest loopholes that do nothing to grow our economy.

The vast majority of Missouri businesses do not benefit from these special breaks, which create a larger tax burden for the rest of our businesses.

And eliminating them is long overdue.

Some of these loopholes are blatantly unfair and were simply written to carve out breaks for special interests.

Some were well intentioned at one time, but have now outlived their usefulness.

And some were simply bad ideas or poorly written.

Many tax lawyers and accountants have developed a good eye for spotting gray areas of our law.

There's nothing illegal about that.

But I am reminded of W.C. Fields, who once said that his purpose for reading the Bible was to look for loopholes.

Tax advisors for special interests read the law the same way.

We have given them way too much easy reading.

My staff and I have spent the last four months working with business leaders and economists across this state.

Together we have identified a number of loopholes that should be closed.

For example, one of these loopholes allows national franchises to avoid paying corporate income taxes in Missouri by setting up dummy corporations in states that charge no corporate tax.

National franchises get this tax break, while the local hardware stores and corner drugstores pay their fair share.

Twenty-five other states, including our neighbor Illinois, have already closed this loophole, which costs Missouri millions every year.

Another Missouri tax loophole exempts royalties, dividends, and interest income Missouri businesses receive from their out-of-state interests.

This is essentially income that is not taxed anywhere.

This money is generated by corporate activity in our state and should be treated like other Missouri income.

We are the only state in the nation to offer this break, and it is costing us \$31 million every year.

When small Missouri businesses and working families see these perks that have been carved out for a few, their confidence in the fairness of our government is eroded.

They know that special interest tax loopholes are the worst form of wasteful spending.

By making these changes in our laws, we restore equity to our system, and we will generate revenue to allow us to meet our goals for the future.

Closing loopholes will allow us to make the one-percentage point corporate tax rate reduction we need to stimulate our economy.

It does not put an undue burden on any corporation to pay the taxes that most Missouri businesses have been paying all along.

But even when we close these loopholes, we will still be left with a major revenue hole in the budget.

Therefore, I am proposing that we increase the admission fee on gaming boats by \$2.00, raise the gross receipt tax by two percent, and eliminate loss limits.

These steps will protect the school foundation formula from cuts.

I will also seek a cigarette tax dedicated to health care.

But in this proposal, the money will be needed to protect existing health care needs, including health care for our low-income elderly.

I propose these two revenue increases—gaming fees and cigarette taxes—as an alternative to a general tax.

These are optional taxes that most citizens won't have to pay.

Finally I propose a five-percent surcharge on individual income tax on households making more than \$200,000 a year.

This proposal will only affect two percent of Missourians.

Changing our tax structure is never easy.

But responsible leadership demands such action.

My Fair Share Budget guarantees needed revenue but not at the expense of the majority of the working families of Missouri, who already pay their fair share.

If implemented, these actions will prevent deep cuts.

My plan ensures that we continue toward a goal of a leaner state government.

But I do not want it to be a meaner state government.

I know we must make additional savings.

This is one of the toughest budgets that has ever been proposed.

We have made major cuts, and they have been painful.

And we will continue to make cuts.

But we cannot cut and cut alone.

We cannot cut ourselves out of this hole without sacrificing our future and our economy.

We cannot cut ourselves out of this hole without hurting our most vulnerable citizens.

In fact, we must strengthen our resolve to protect our foster care children.

This past fall I ordered an investigation of our foster care program, and as a result, I have ordered a restructuring of the

program and several personnel changes.

I have proposed a new children's division in the Department of Social Services and an ombudsman to investigate complaints and monitor children's services.

And the budget I present today prevents cuts in funding for children in state custody.

We must also strengthen our resolve to protect our elderly.

I am proposing tougher laws to protect the elderly in our nursing homes.

This is the opportunity to show our elderly we are on their side.

We must pass the Senior Care and Protection Act.

And we must strengthen our resolve to support another group of good Missourians who deserve our support...our state workers.

Missouri state workers have not had a cost of living pay increase in two years.

Regrettably, our budget crisis means we cannot fund an across the board increase this year.

But my budget does include an early retirement plan for state workers, which would save \$24 million, and allow us to provide a modest increase of \$600 annually to state workers who make less than \$40,000.

This increase would be directed to those on the front line of service.

These are the workers who provide the security in our prisons, the assistance in our schools for the blind and the deaf, and the care in our state hospitals.

Time and time again, I have expressed to them my appreciation.

But praise and thanks do not put food on the table.

As we begin this new 2003 legislative session, I want to again welcome all new legislators of both parties.

I want to reiterate my commitment to work with you to govern our state responsibly.

On the opening day of this legislative session, much attention was given in both chambers to the problems we face as Missourians and much was said about what we want for Missourians.

But not one idea was put forward as to how we achieve these goals.

What Missourians expect from us is neither rhetoric nor a partisan battle over whether we have a revenue problem or a spending problem.

What Missourians expect from us is leadership and solutions.

I come to you today with solutions...solutions that meet our constitutional duty to produce a balanced budget and still preserve the key services Missourians expect state government to provide.

Your responsibility now is to send me a balanced budget.

But let me be clear as this process begins:

I will not sign a budget that cuts one billion dollars.

A budget balanced on the backs of hard working Missouri families is not acceptable.

I will not consider a plan that destroys an opportunity for quality public education for all our children...nor will I tolerate schemes to steal money from our poor schools and our rural schools to fund our richest schools.

I will not sit on the sidelines and let our legislative leaders try to pit higher education against elementary and secondary education.

We are all in this together.

Such actions would violate our duty to our children and their future.

And I will not accept a plan that hurts our working families and turns our back on our most vulnerable—our elderly, our disabled, or our children in foster care.

KEEPING FAITH WITH THE FUTURE

Today I am submitting a Fair Share Budget that provides a solution to our one billion-dollar deficit.

But it requires us to work together with resolve.

This budget requires continued cuts...but not cuts that sacrifice our priorities.

This plan is a solution to our one billion-dollar deficit for fiscal year 2004.

This is a budget that allows us to keep faith with the future.

Our great leaders of the past kept faith with the future.

Dr. King did not wallow in the valley of despair.

Instead he focused on the dream for a better tomorrow.

Harry Truman did not abandon the future.

In fact, it is said that Truman, from the time of his high school graduation, kept in his wallet these lines by the great poet Tennyson:

"For I dipped into the future, far as the human eye could see, saw the Vision of the world...all the wonder that could be."

Our challenges today pale in comparison to those faced by our parents and grandparents—who fought our great wars, survived the Great Depression, and worked long and hard every day of their lives.

They kept faith with the future by investing in education, in the interstate highway system, in engineering and medical research and space exploration.

We have a commitment to our parents...to our children...and our grandchildren.

Our future demands that we embrace the economy of tomorrow by making the right investments now.

As we deal with the realities of today, we must keep our faith with the future.

We must look ahead as far as the eye can see...to find a vision for our state...and all the wonder it can be.

Thank you.

On motion of Senator Gibbons, the Joint Session was dissolved and the Senators returned to the Chamber where they were called to order by Senator Childers.

REPORTS OF STANDING COMMITTEES

Senator Cauthorn, Chairman of the Committee on Governmental Accountability and Fiscal Oversight, submitted the following report:

Mr. President: Your Committee on Governmental Accountability and Fiscal Oversight, to which was referred **SCR 1**, begs leave to report that it has considered the same and recommends that the concurrent resolution do pass.

CONCURRENT RESOLUTIONS

Senator Gross moved that **SCR 1** be taken up for 3rd reading and final passage, which motion prevailed.

SCR 1, entitled:

An Act rejecting the amount of increase in compensation for public officials as recommended by the Citizen's Commission on Compensation for Elected Officials.

Was taken up.

On motion of Senator Gross, **SCR 1** was read the 3rd time and passed by the following vote:

YEAS—Senators

Bartle	Bray	Caskey	Cauthorn
Champion	Childers	Clemens	Days
DePasco	Dolan	Dougherty	Foster
Gibbons	Goode	Griesheimer	Gross
Jacob	Kennedy	Kinder	Klindt
Loudon	Mathewson	Nodler	Quick
Russell	Scott	Shields	Steelman
Stoll	Vogel	Wheeler	Yeckel—32

NAYS—Senators—None

Absent—Senators

Bland Coleman—2

Absent with leave—Senators—None

The President declared the bill passed.

On motion of Senator Gross, title to the concurrent resolution was agreed to.

Senator Gross moved that the vote by which the concurrent resolution passed be reconsidered.

Senator Gibbons moved that motion lay on the table, which motion prevailed.

Senator Wheeler requested unanimous consent of the Senate to withdraw **SB 177**, which request was granted.

RESOLUTIONS

Senator Vogel offered Senate Resolution No. 31, regarding John Kenneth "Ken" Lyle, Jr., Jefferson City, which was adopted.

Senator Quick offered Senate Resolution No. 32, regarding Gene Schieber, Kansas City, which was adopted.

Senator Bartle offered Senate Resolution No. 33, regarding the birth of Harrison James Willmoth, Lee's Summit, which was adopted.

COMMUNICATIONS

President Pro Tem Kinder submitted the following:

January 15, 2003

Mrs. Terry Spieler
Secretary of the Missouri Senate
State Capitol, Room 325
Jefferson City, MO 65101

RE: Appointment to the Second State Capitol Commission

Dear Terry:

Pursuant to Section 8.003, RSMo 2002, I am appointing Senator Carl Vogel to serve as chairman of the Second State Capitol Commission.

Please do not hesitate to contact me if you have further questions.

Sincerely,

/s/ Peter Kinder

PETER D. KINDER

President Pro Tem

INTRODUCTIONS OF GUESTS

Senator Cauthorn introduced to the Senate, Gary Brown, Hannibal; Connie and Julie Hale, Mexico; and Steve Shively and Connie Thurman, Monroe City.

Senator Kinder introduced to the Senate, Dr. and Mrs. Ken Dobbins, Cape Girardeau.

Senator Griesheimer introduced to the Senate, Gina Schutt, Berger; and Christopher Sutherland, Warrenton.

Senator Bartle introduced to the Senate, the Physician of the Day, Dr. Fred Hahn, M.D., Independence.

On motion of Senator Gibbons, the Senate adjourned under the rules.

SENATE CALENDAR

SIXTH DAY—THURSDAY, JANUARY 16, 2003

FORMAL CALENDAR

SECOND READING OF SENATE BILLS

SB 15-Childers
SB 17-Childers
SB 35-Loudon
SB 44-Dougherty
SB 51-Shields

SB 53-Shields and Nodler
SB 55-Nodler
SB 61-Caskey
SB 65-Goode and Gross
SB 68-Childers

SB 83-Cauthorn, et al
SB 84-Cauthorn and Klindt
SB 91-Coleman
SB 104-Goode and
Dougherty
SB 113-Loudon
SB 115-Dougherty
SB 128-Bland
SB 135-Goode
SB 141-Gross
SB 142-Goode and Days
SB 143-Goode
SB 144-Goode
SB 145-Bland
SB 146-Bland
SB 147-Bland
SB 148-Goode
SB 149-Bland
SB 150-Bland
SB 151-Bland
SB 152-Bland
SB 153-Bland
SB 154-Bland
SB 155-Bland
SB 156-Bland
SB 157-Bland
SB 158-Bland
SB 159-Bland
SB 160-Bland
SB 161-Bland
SB 162-Bland
SB 163-Bland
SB 164-Bland
SB 165-Bland
SB 166-Bland
SB 167-Russell
SB 168-Quick
SB 169-Quick
SB 170-Quick
SB 171-Loudon
SB 172-Goode
SB 173-Quick
SB 174-Childers
SB 175-Loudon
SB 176-Wheeler
SB 178-Bland
SB 179-Bland
SB 180-Bland
SB 181-Cauthorn
SB 182-Cauthorn, et al
SB 183-Dougherty
SB 184-Bartle
SB 185-Wheeler
SB 186-Cauthorn
SB 187-Yeckel
SB 188-Cauthorn, et al
SB 189-Loudon
SB 190-Loudon
SB 191-Bartle
SB 193-Loudon
SB 194-Scott
SB 196-Scott
SB 197-DePasco
SB 198-Caskey
SB 199-Childers
SB 200-Bland
SB 201-Steelman
SB 202-Childers
SB 203-Bartle
SB 204-Yeckel, et al
SB 205-Gross and Yeckel
SB 206-Champion
SB 207-Mathewson
SB 208-Mathewson
SB 209-Steelman, et al
SB 210-Steelman
SB 211-Cauthorn
SB 212-Bartle
SB 213-Bartle
SB 214-Bartle
SB 215-Foster
SB 216-Foster
SB 217-Champion and
Clemens
SB 218-Goode, et al
SB 219-Steelman
SB 220-Bartle
SB 221-Steelman, et al

SB 222-Steelman, et al	SB 256-Goode, et al
SB 223-Foster	SB 257-Steelman
SB 224-Vogel	SB 258-Steelman
SB 225-Klindt, et al	SB 259-Steelman
SB 226-Klindt and Cauthorn	SB 260-Stoll and Mathewson
SB 227-Cauthorn	SB 261-Clemens
SB 228-Griesheimer	SB 262-Clemens
SB 230-Bray	SB 263-Jacob
SB 231-Caskey	SB 264-Shields
SB 232-Cauthorn	SB 265-Shields and Scott
SB 233-Foster	SB 266-Shields
SB 234-Quick	SB 267-Shields
SB 235-Quick	SB 268-Loudon and Goode
SB 236-DePasco and Loudon	SB 269-Quick
SB 237-Russell, et al	SB 270-Foster and Dolan
SB 238-Caskey	SB 271-Jacob
SB 239-Mathewson and Scott	SB 272-Bland, et al
SB 240-Mathewson	SB 273-Bland, et al
SB 241-Yeckel	SJR 1-Bland
SB 242-Yeckel	SJR 2-Bland
SB 243-Yeckel	SJR 3-Gross
SB 244-Russell and Vogel	SJR 4-Cauthorn
SB 245-Shields and Bartle	SJR 5-Bland
SB 246-Steelman, et al	SJR 6-Bartle
SB 247-Dolan	SJR 7-Loudon
SB 248-Gross and Goode	SJR 8-Bartle
SB 249-Shields and Bland	SJR 9-Yeckel
SB 250-Stoll	SJR 10-Yeckel
SB 251-Childers	SJR 11-Bartle
SB 252-Steelman	SJR 12-Mathewson and Goode
SB 253-Steelman, et al	SJR 13-Stoll
SB 254-Goode and Mathewson	SJR 14-Jacob
SB 255-Kinder	

RESOLUTIONS

To be Referred

SCR 2-Bland