

Weekly Report
Week of 2-2

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For the past few weeks in this column we have been examining the state budget crunch. In the first week, we examined how the boom years of the 1990s brought huge increases in state expenditures, especially on schools. The second week, we discussed how the economic downturn has suppressed government revenues. Last week we will look at the impact on the recovering economy on Missouri's state budget and the limits on raising Missouri state taxes. This week I will share with you my plan to provide our schools with assistance to get through these challenging budgetary times.

My plan will not be popular with many in our state. It contains controversial proposals. However, I believe that these difficult times call for bold decision-making. I have filed the following bills in the Missouri Senate, which I collectively refer to as "The 2004 School Relief Plan." These bills, if enacted and approved by the Governor, will provide our schools with key resources at this critical time.

1. Senate Bill 1057 — Classroom Trust Fund

This legislation responds to the public's understandable frustration about the gambling monies. My bill will take every nickel of tax revenue that comes from gambling and distribute it evenly to every school in the state on a per pupil basis. That way, Missourians would know exactly how much gambling money there was for each student and could be assured that all of the money was being spent on educating kids.

2. Senate Bill 1058 — Boarding Fees

When the voters were first asked to approve gambling, they were promised by the gambling industry that all of the tax revenue would go to schools and were given the impression that this would completely solve all school funding problems. These were false promises. Gambling only produces a relatively small fraction of what Missouri spends on elementary and secondary education. Currently the boarding fee for Missouri gambling facilities is \$2 of which \$1 goes to the state. This bill would raise it to \$5 with the three additional dollars going directly to Missouri schools. This proposal would raise approximately \$150 million for our schools each budget year. Missouri's constitution requires that this go to a vote of the people because it raises more than \$75 million.

3. Senate Bill 764 — Foundation Formula

I believe that the Missouri's school finance formula is unfair to suburban school districts. Eastern Jackson County residents pay very high property taxes compared to other places in Missouri. The school foundation formula punishes districts when they raise their tax levies as several of our school districts have done lately. I filed Senate Bill 764 to address this problem. This proposal is very controversial because school leaders in districts that have lower levies will fight me on this proposal.

4. Senate Bill 1059 — Tax Loopholes

Missouri's tax structure is unfair and in many ways, counterproductive. Many people are paying far more than their fair share, while others are paying far less than their fair share. This bill would close various corporate tax loopholes that make little sense and do not provide sensible incentives. Passage of this bill would raise \$16 million that could be spent on Missouri schools.

5. Senate Bill 1056 — TIF Reform

Tax increment financing (TIF) has run wild and has created dependence in the development community on government assistance. However, in order to compete with Kansas, Missouri cities are using TIF more aggressively. I do not support unilateral disarmament on TIF, which would be a huge boon to Kansas at Missouri's expense, but I do believe reform is needed now. School funding suffers with TIF because TIF projects are allowed to forego property taxes that would otherwise go to the schools. My Senate Bill 1056 would force cities to share tax revenue that is derived from a TIF project with the local school district in which the TIF project is located. This only seems fair since it is the schools that lose money when a project is TIFed. This bill, if enacted, will provide millions of dollars year after year to local schools that they would not otherwise have received.

6. Senate Bill 1060 — Filing Fee Revenue

This legislation would impose a filing fee on litigants who intervene in lawsuits, who file counter-claims or cross claims in court cases. It directs all of the money raised from these fees to Missouri schools. Last year, I passed legislation that increased Missouri's collection of delinquent fines and fees, much of which goes directly to schools.

7. Senate Bill 1092 — Residential TIF

This legislation would eliminate the practice of using TIF for residential projects in suburban areas like ours. The use of TIF for residential projects in suburban areas is a massive threat to our school's finances. This bill would make residential TIF in suburban and rural areas illegal.

I am not naïve. I know that these bills, like all others filed in the legislature, face formidable odds. They will be heartily opposed. Yet, I intend to push for their passage.

If you have comments or questions about this week's column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by e-mail at matt_bartle@senate.state.mo.us. Also, you can read any of the bills I file on my website at:

<http://www.senate.state.mo.us/04info/members/mem08.htm>). Thank you again for making it possible for me to serve in the Missouri Senate.