



SENATOR MATT BARTLE

District 8 – Capitol Building, Room 431 Jefferson City, MO 65101

**Column for Week of:
Sept. 4, 2006**

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Smart Policies Resulting in Economic Prosperity

There is good news to report about Missouri's economy. The state has experienced 18 months of steady job growth and economic improvement, and the future is looking bright. The Legislature has also seized on opportunities to implement policies that promote, not discourage, economic growth. For the past two years, lawmakers and statewide officials have implemented reforms to energize our state's economy and stave off the threat of higher taxes on hardworking Missourians. Meanwhile, Missouri's General Revenue Fund has reaped the benefits of a rebounding economy. Year-end revenue tallies show the highest rate of growth in more than two decades.

During Missouri's 2006 fiscal year, which ended June 30, state general revenue (GR) showed a 9.2 percent rate of growth, a figure well outside the historical norm. Only twice in the past 20 years has GR grown above 9 percent, and both instances followed significant changes to tax law. Total net collections outpaced the estimated 4.9 percent growth by \$292.4 million. Further, Missouri created nearly 50,000 jobs over 18 months, and our state is now home to a historic 2.8 million jobs.

Over the past several years, lawmakers have implemented lawsuit and workers' compensation reforms while exercising smart fiscal management in an effort to create an environment in which the economy can flourish. Officials and policymakers are requiring the state to live within its means, and we have avoided using one-time funding sources that bloat Missouri's budget with no means for future funding. While economic growth is often cyclical, these efforts to build a solid foundation of low taxes and pro-growth policies are essential in keeping our economy healthy and promoting future growth.

Meanwhile, Missouri's private industries are making the most of a growing economy. Small-business owners and entrepreneurs are building on the significant improvements in Missouri's economy to create jobs and continue moving our state forward.

To be clear, 4.9 percent growth is an ambitious estimate, and Missourians should not expect the economy to continue growing at a rate of 9.2 percent. Growth in GR for next fiscal year is currently estimated at 4.5 percent. The estimate accounts for national trends such as continued high energy prices and higher interest rates, and the number will be reviewed and revised as necessary by the governor and General Assembly prior to the 2007 legislative session. I make no promises as to next year's performance, but I am confident our economy will continue moving forward.

Although Missouri's economy is clearly on the upswing, in the past this has resulted in irresponsible government spending. I have worked to implement programs promoting restraint in spending, and I will continue my efforts so that our current economic prosperity is not wasted.

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.mo.gov or by phone at (888) 711-9278.

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