



# THE STOUFFER REPORT

**Senator Bill Stouffer**  
Senate District 21

**Capitol Building, Room 332**  
Jefferson City, MO 65101

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**Contact: Aaron Baker**  
(573) 751-1507

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## Living Within Our Means

I remember when my wife, Sue Ellen, and I were starting out with just \$20 in our pockets. Her work as a hair dresser put me through school while I worked for MFA when I wasn't in class. We started our family in a trailer before renting a house and then buying a home. We cherish the memories of those years, but looking back, it was tough.

We worked hard. Going out to eat was out of the question, and paying our bills on time was the focus of a lot of our attention. It wasn't easy, but after years of planning, pinching and saving, we finally got our heads above water.

Living within our means was important for our long-term success as a family. The same could be said about our state.

When I was elected to public office for the first time in 2004, I was shocked to learn of our state's bleak financial status. At that time, our budget was \$1.1 billion short of where it needed to be. That's a lot of money. Looking back, former Gov. Holden's analysts, more worried about re-election than finances, didn't realize how bad the situation was, either.

Our new governor has hired Michael Keathley, a successful businessman (and another dedicated penny-pincher), to look into the problem. We have also included a budget specialist who has helped Michigan and California out of similar situations.

Balancing the budget wasn't easy. The state had to make difficult choices, and the electorate was clear — a tax increase was out of the question.

Blunt ended what was called "presumptive eligibility," where Medicaid applicants were presumed eligible upon application, while in many cases, the applications were never verified.

Nearly 100,000 individuals were removed from Medicaid rolls for various reasons, though no children or pregnant women were removed. It was a horrible experience for some Missourians. However, if acceptance and eligibility hadn't been changed, Medicaid, which has an enrollment roughly the size of St. Louis, Kansas City and Springfield combined, would have bankrupted our state and abruptly ended health care for all who were enrolled. This year, we will spend over \$210 million more on Medicaid than we did last year.

The state as an employer looked inward as well. Everyone on the state's payroll who received health-care benefits had to prove the eligibility of spouses and children that were covered. Sue Ellen and I had to prove our marriage with a license, as well. Instantly, 1,766 men, women and children disappeared off of our state's benefit rolls.

In the commissioner's office alone, there were employees who hadn't shown up to work for weeks. Cars were missing, the budget was a wreck, and the state was footing the health-care bill for individuals who didn't even exist.

But we have turned the corner. We now have fewer state employees than we did in 1998, without a reduction in services, which is something we can all celebrate as taxpayers.

The amount of space our state rented for offices has also changed considerably. In one instance, three women were working in an office space of more than 40,000 square feet. The value of the space the state no longer leases is worth approximately \$40 million in new construction costs.

Today we are spending more on education and Medicaid than this state ever has, transportation improvements abound, and we've been able to do all of this without a tax increase. Much of this was provided through substantial economic growth, which I will discuss next week.

If you have questions or comments about this or any other issue, please call toll free (866) 768-3987 or by email at [bstouffer@senate.mo.gov](mailto:bstouffer@senate.mo.gov).

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