



MISSOURI SENATE

JEFFERSON CITY

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**A Weekly Column for the
Week of Aug. 14, 2006**

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Encouraging Economic Trends At Beginning of Fiscal Year

JEFFERSON CITY – The pro-growth policies of the Missouri General Assembly and Governor Blunt have led to 19 months of steady job growth and economic improvement.

The 2006 Fiscal Year ended June 30 and saw the most significant General Revenue Fund growth in at least 20 years. At the beginning of the legislative session, the chairmen of the House and Senate appropriations committees were projecting revenue increases of 4.9 percent. At the end of the fiscal year, the rate of increase was an astounding 9.2 percent, well outside the historical norm. Only twice in the last two decades has General Revenue growth exceeded nine percent, and both instances followed major changes in tax law.

In the past year and a half, nearly 50,000 jobs have been created in Missouri. More Missourians are working today than at any other time in our state's history. This is due, in part, to the pro-growth policies of the Missouri General Assembly.

Legislative efforts to reform workers' compensation, tort reform and smart fiscal management have contributed to the increase in state revenues.

This year lawmakers approved other pro-growth ideas which will help our farmers and small business operators. House Bill 1270 will require gasoline sold in Missouri to contain ten percent ethanol when the price of the alternative fuel is less than or equal to the price of regular gasoline. Missouri farmers will benefit greatly from the increased demand for their products, such as corn, which will be used in the production of ethanol.

The three existing ethanol plants in Missouri will provide additional revenue for communities, and two new plants are being constructed to meet the demand of this environmentally friendly alternative fuel, providing more jobs and opportunities for Missourians.

House Bill 1827 will benefit small business owners in a number of ways. The measure allows professional associations of 50 or more to purchase health insurance for their employees. Prior to passage of HB 1827, small businesses paid a high premium for health insurance due to the small number of employees to divide the costs. Companies that did not offer health insurance had trouble attracting quality employees who were dependent on health insurance coverage for their families. HB 1827, which Governor Blunt signed into law last month, will help small businesses lower health care costs and attract and retain quality employees.

Another sign of the strength of our state economy is the low unemployment numbers released this week. Missouri's unemployment rate dropped below the national average at 4.7 percent; the national unemployment rate in July was 4.8 percent. The latest job numbers show the state's economy is strong, and forecasters expect the trend to continue.

Growth in General Revenue for the next fiscal year (which began July 1) is estimated at 4.5 percent.

If you have questions or comments about this or any other issue, please feel free to contact me at 573-751-8793 or by e-mail at: delbertscott@senate.state.mo.us

Senator Delbert Scott represents the people of Barton, Benton, Cedar, Dallas, Henry, Hickory, Pettis, Polk and St. Clair counties in the Missouri Senate.