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Budget Time

JEFFERSON CITY — The start of the next legislative session is more than two months away, but work has already started on the one thing lawmakers are constitutionally required to do: come up with a state budget. In fact, that process started even before the current budget was finished as we try to make long-range plans for spending your money. So far, the numbers look good, and it looks like we'll continue to have the revenues needed to make sure priorities, such as education and transportation, are funded. But there is a note of caution out there about what the future could hold.

First of all, state revenues are continuing to grow. The September 2007 numbers show that, for the Fiscal Year 2008 year-to-date, general revenues have grown by about 3.8 percent. Those figures show just how healthy our economy is. As the saying goes, a rising tide lifts all boats, and many people and businesses seem to be benefiting from the rise in Missouri's economy. In addition to this being good news for the economy, it is good news for our state budget.

There are some concerns, however, that the economy could be slowing down — making it all the more important that legislators exercise fiscal discipline in our spending decisions. The folks at the Senate's Appropriations office report that there are some real concerns about how much our revenues will grow due to some weaknesses in the national housing market as well as concerns over current issues with the recent meltdown in some sub-prime lending rates.

Missouri's Department of Economic Development has been working hard to make sure that this state is able to rise above any national problems. First of all, in the last couple of years, Missouri has changed its attitude so employers and entrepreneurs can create good, family-supporting jobs. We've made helping big and small businesses retain quality jobs a top priority. In fact, we have seen the creation of more than 96,000 new jobs since January 2005.

In addition, reforms to our state worker's compensation system and legal system have made this state a more business-friendly environment. We've also adopted a fix to the state's ailing Medicaid system and made it focus more on personal responsibility. It's no wonder *Expansion Magazine*, a publication that advises businesses across the country on various business climate issues to be considered prior to relocation, gave Missouri five stars (the most possible) in its 2007 Healthcare Cost Quotient study.

The bottom line is: we've taken the steps necessary to improve this state's economy so that our budget situation is strong... strong enough to hopefully stand up to whatever obstacles it might face in the near or distant future. In the meantime, I'll work to ensure that the legislature exercises fiscal discipline and restraint as we approach the beginning of the 2008 legislative session. It is important that legislators not use good economic times to unnecessarily expand government programs — leading to funding shortfalls when the economy slows down.

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. My web address is <http://www.senate.mo.gov/bartle>.