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Saving and Spending Your Tax Dollars Wisely

JEFFERSON CITY — As the beginning of the 2008 legislative session looms on the horizon, I want to take the opportunity to talk about some of the proposals I'll be introducing in Jefferson City. One of my top priorities is making sure the State of Missouri balances its checkbook and wisely prepares for the future by putting some funds in a savings account. This will help to prevent a situation like we faced a few years back when state revenues declined and we could not fully fund many state programs.

In the coming months, lawmakers will be putting together this year's priorities for our state budget. We'll find money for a wide range of programs from the education of our children to the healthcare of our most elderly but the first part of any budget is figuring out how much money you have or will have. The good news is Missouri's economic condition is in good shape. During the last fiscal year that ended on June 30th, 2007, our revenues grew by 5.2 percent. This year, our revenues are showing continued good growth of about 4 percent. However, the next fiscal picture might be not so rosy. That's why I will once again propose a plan to save money for those rainy days... or in this case, those rainy years... to protect us from fluctuations in our revenue picture.

For the 2008 legislative session I will propose the creation of the Missouri Savings Account. If passed by a vote of the people, this constitutionally-mandated account will put away each year 2 percent of the general revenue appropriations for that year. If general revenue collections don't increase by 3 percent or more overall by the end of a fiscal year, the monies deposited in the fund that year would lapse and be used for the next year's expenditures. During times of budget shortfalls or forecasts of decreases in revenue for the upcoming year, the general assembly may take one-third of the fund and use it for the budget. This savings account will give us the money we need to make it through the tough times. It will also remove the excuse, used by some legislators, that lean budget years are a reason to raise taxes.

In the past, when we've gone through good economic times, the tendency has been to increase government spending. I want to rein in those spending habits and have the legislature be more responsible in how tax dollars are spent. I believe if we promote the priorities of being fiscally responsible and saving for a rainy day, we'll have the funds we need down the road to take care of Missouri's spending priorities.

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>.