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Column for Week of: December 1, 2008

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Campaign Rhetoric Meets Budget Realities

Like the icy arctic weather beginning to descend on the 'Show-Me' state, a large, cold dose of economic reality is coming to Jefferson City. During the sunny summer months of the recent campaign season, some candidates chose to entice voters with promises of new spending on dramatically expanded state programs—but now that the elections are over, the facts are once again clearly in focus.

We know that the state and country are facing an economic downturn that may end up being one of the worst we've seen in many years. Missourians are struggling to pay the bills while they worry about the security of their jobs, and businesses are feeling the effects as consumers spend less.

If the current economic situation provides one thing, it is a reminder to all elected officials of both parties that it is high time for fiscal restraint. This is true for government leaders in Jefferson City and in Washington, D.C.

It is becoming increasingly apparent that Missouri is headed for a substantial budget shortfall. Disturbing numbers are beginning to surface and it is clear that our budget is in trouble. For fiscal year 2008, general revenue grew 3.7 percent, slightly above the forecast. However, first quarter revenues for fiscal year 2009, which began in July, appear to be down by more than 1 percent overall, and as of the end of November, revenues declined 3.9 percent from the same time last year. Month-to-month fluctuations are normal in any fiscal year, but if the gap keeps widening, we will face significant challenges in the very near future.

It was projected fiscal year 2009 would end with \$340 million still in reserve, giving the state enough to cover any shortfall from this budget year. However, recent estimates show that we may be looking—not at a savings—but at a deficit of more than \$300 million during this fiscal year, which ends in June of 2009.

When it comes time to craft the fiscal year 2010 budget that begins in July of 2009, we will face serious challenges. Legislative leaders have asked state departments to submit plans on how they would cut as much as 25 percent of their budgets. If such cuts are indeed called for, they could be the steepest cuts in recent memory and perhaps, in Missouri history.

The campaign, with its lofty promises, is truly over. Now the hard work of governing begins. Next week we'll look at the road ahead and at some of the difficult choices that will need to be made.

If you have any 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.