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DISTRICT 21

Senator Bill Stouffer – Cultivating Rural Missouri.

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The Stouffer Report: The News Is Not As Bad As It Sounds

You are probably hearing a lot about Missouri's fiscal situation. I want to take a few minutes and let you know what is happening.

A couple of months ago, we talked about how strong Missouri's economy is when you compare it to most other states and the country in general. Since then, a few things have changed. Namely, some folks have come forward and stated Missouri faces a \$340 million budget shortfall. However, I have not seen anyone question these figures or offer concrete solutions IF they are, indeed, true. Remember, Missouri started the fiscal year with an \$833 million surplus. If it were not for that — and the work that went into creating and balancing sound budgets over the past three years — the potential shortfall we could see would be much worse. Just three years ago, Missouri was facing a \$1 billion deficit.

The budget shortfall is based on a slowdown in tax collections. In other words, people are not buying as much as they were last year at this time. These figures represent a small decrease in overall consumer spending, brought on by the economic slowdown we are seeing nationwide. Most of the decrease reflects a reduction in big ticket items purchased by companies, not necessarily day-to-day items you and I buy.

Something else that is coming down is the price of a gallon of gasoline. At the end of October, we were still looking at \$4 a gallon gas and oil prices around \$150 a barrel. Now, oil is hovering around \$45 and gas prices in Missouri are somewhere in the neighborhood of \$1.30 to \$1.60, depending on where you live. Also, the [American Automobile Association](#) (AAA) says the Show-Me State's average gas prices are among the lowest in the country, another sharp turn from two short

months ago.

So, we are going into 2009 with sort of a "good news, bad news" situation. The bad news is, we seem to be heading into a recession. The good news is, we in the Legislature have been taking steps to improve things even before the economy started to slow down. Passing [Senate Bill 711](#) will do a lot to make sure property taxes are collected fairly and are not used as a money grab for counties. We also passed other reforms over the last three years, including a [comprehensive agriculture bill](#), which means rural Missouri is being considered by big city legislators as a valuable commodity to our overall state's success.

Like your household and family, government should review its spending in these difficult times. Every single dollar needs to count. It is times like these when it is important for governments and businesses to cut the waste and get back on track. They say it is the lean years of restructuring that spur the strong ones. I just hope it comes fast.

While I cannot predict the future, I can say there are some people who want to liken the current economic situation to the Great Depression. Most true experts say this downturn will only last around a year. I pray whatever happens is short lived and as few people as possible have to suffer the pain of losing his or her job. I assure you we are doing everything we can in Jefferson City to fight off any worsening of the economy and to make sure we continue to thrive.

Senator Stouffer serves the counties of Carroll, Chariton, Cooper, Howard, Lafayette, Macon, Ray, Saline, and a part of Clay.

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

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