



WEEKLY REPORT

State Senator Gary Nodler
District 32



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Week of April 28, 2008

We Can't Feed All these Cows

“We can’t feed all these cows,” is an expression I have used this year throughout the budget process. It is an analogy that summarizes the problem that we face when looking at the potential for budget expansion in the current economic environment. As Senate Appropriations Committee chairman, I have spent the past two weeks in the conference committee stage of the budget process working with House members on the state spending plan, and I think it is important to explain how divergence between projected revenue and spending affects the process.

My analogy represents the spending (cows) and the state’s revenue (the pasture). When a farmer has a finite amount of acreage for pasture land, and he continues to acquire cows with no regard for the amount of land he owns, there will eventually be no more feed for the cattle. These cows will starve if the forage is not sufficient enough to sustain them, a situation that would be cruel and would attract the attention of animal protection authorities. This is the situation Missouri’s budget could face if we do not consider the slowing revenue stream that is currently an issue in our state.

We cannot ignore the current economic climate, and this is why we have been particularly watchful about any budget expansion during the appropriations process. Throughout the committee process, I have been repeatedly warning that we need to remain cognizant of our future revenue streams. For most of the year, our average revenue growth has been around 5 percent, with projections and actual daily numbers fluctuating by varying degrees. As of this writing, for example, the annualized actual revenue growth number was 2.2 percent, a disturbingly low projection that warrants our caution.

The decisions that we are making during the conference committee process often require us to evaluate whether spending is sustainable or reckless. Our goal is to avoid spending in a

way that would set a pattern requiring us to scale back in the future by committing dollars that may not or simply won't be available in following years. We want to make sure that the cows that we have on the farm are going to get their fill. The budget process begins with the department recommendations. The original requests contained 424 new decision items for a total of \$2.5 billion in new spending. This presented a situation where the state would run out of pasture for the cows. Through the budget process we have crafted a \$22.6 billion spending plan, and this budget has accommodated many budget expansions, 396 new decision items totaling \$2.1 billion.

The appropriations process can be complex as we review line items and language in the 13 bills that make up the budget. We need to remain reasonable, realistic, and responsible when looking at spending in order to make sure that the necessary revenue is available and will continue to be available in the future. In essence, we can't feed all these cows.

*Senator Gary Nodler represents the people of Newton, Jasper
and Dade counties in the Missouri Senate.*