

For Immediate Release

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# SHARING A VIEW OF THE STATE

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Issues and Comments – 33<sup>rd</sup> Senatorial District

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*Senator*

## **Chuck Purgason**

There is still much unfinished business before the General Assembly as the legislature enters its final week of session. Before us lie many issues that should become law this year. Several bills that deal with a variety of issues such as illegal immigration, repealing of the village law, tax credits, and education are among many to be decided in this final week.

This past week the General Assembly approved our state's operating budget for the 2009 fiscal year which begins July 1. As one of the nine members of the Senate Appropriations Committee, it is always a relief to see the final product of many long days of committee meetings and the push and pull of negotiations between the House and the Senate.

At some point during the budget process lawmakers would be wise to reflect on the fact that the revenues for our \$22.4 billion state budget comes out of your pocket and not from some money tree that automatically renews itself each spring.

Fortunately, at the end of the day, our state constitution requires a balanced budget. This is an important protection mechanism for Missouri taxpayers that is not present at the federal level. Most importantly, your lawmakers should strive to keep the forgotten men and women who make up the silent majority in mind and not the special interest groups that roam the halls of our state and national capitols trying to influence your elected officials.

The biggest unknown factor in our state budget is the projected revenue estimate, tax receipts, which have come in higher than expected for the last two years. Now that we have entered difficult economic times, I am concerned about maintaining the revenue growth required to fund the remainder of this year's budget as well as revenues for next year's expected growth in state programs.

Earlier this year, the Governor's proposed budget called for nearly \$700 million in additional spending for new and ongoing programs. At the time, many members of the House and the Senate were concerned that this increase in spending would create problems for next year's budget, especially when much of the one-time budget surplus was being proposed for on ongoing programs.

As a result, the House and Senate conference committee on the budget made its final recommendation to reduce the Governor's proposed budget by nearly \$185 million for total fiscal year 2009 budget price tag of \$22.4 billion.

As I look at the numbers, I am concerned that lawmakers may have promised more money than they can deliver. The likelihood of revenue declines during these economic times is likely to come in the months ahead. The latest budget numbers that I have suggest that our current economic growth of 1.6% is down from a growth rate of 5.3% on April 1. Our growth rate had dropped to 1.9% on May 1<sup>st</sup>, which was early enough to still trim back additional growth in our state budget in time to meet our constitutional deadline. But the legislature chose not to act.

In running the long term forecast, at our current budget numbers, our 2010 budget will start out over \$600 million in the red. This is especially distressing to me because the first items that are reduced in bad budget years include programs for the poor, education, and scholarships for college students.

I worked hard to reduce additional growth in this year's budget to help alleviate some of our foreseen budget problems, but failed in my endeavor to do so. I was also removed from the budget conference committee because I would not agree to support increases that were proposed by our senate committee.

Have lawmakers promised more than they can deliver? Only time will tell the real financial story for our state, but I do know the outcome is directly related to your financial well-being as a taxpaying citizen of our state.

I know it seems like it took a lot of time and talk over the last five months of the 94<sup>th</sup> General Assembly in order to agree to pass a budget that was less than 1% different from the Governor's proposed budget. Like you, it only takes about 10 minutes of discussion around our kitchen table to adjust the family budget by 1%. Fortunately, there are no paid lobbyists around the kitchen table.

I welcome your opinions and suggestions. You may reach me at 573-751-1882, e-mail to [chuck.purgason@senate.mo.gov](mailto:chuck.purgason@senate.mo.gov), or write to me at the Missouri Senate, State Capitol, Room 420, Jefferson City, MO 65101. If you would like to receive these newsletters electronically, please call or e-mail my office.

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