Senator Kevin Engler proudly represents the people of Carter, Iron, Reynolds, St. Francois, Ste. Genevieve, Washington counties and part of Jefferson County

Week of February 16, 2009

Promoting Economic Development

Our state's economic outlook is an issue that is constantly on the mind of lawmakers, but with the national economic crisis bearing down on Missouri, ways to bolster our economy are on the forefront of everyone's mind. This week, we worked on legislation in the Senate that would help create jobs. We also took actions so funding that comes to Missouri through the federal bailout, which was recently passed by congress and signed by the president, is handled responsibly

The Senate's version of an economic development package was brought to the floor for the first time this week. Senate Bill 45 raises the tax credit cap on the Quality Jobs Act from $60 million to $120 million and provides tax incentives for small business expansion. This program is an incentive to create and attract new jobs in Missouri and provide local economic developers with a tool to use when promoting their area to companies. Qualifying employers must pay at least the county average wage, offer a basic health insurance plan for the employees, and pay at least 50 percent of the health insurance premiums.

There was some debate on the floor about this bill, which stemmed from the fact that the incentives provided by the legislation are in the form of tax credits. I agree that our state needs tax credit reform so that we can ensure that these incentives are effective and are being used to improve Missouri communities. I am also confident that SB 45 is a solid piece of legislation that will foster job creation in our state—an issue that is particularly important to Missourians who are struggling.

As I mentioned before, the president signed the bailout this week, which contains a

total of $787 billion in economic relief including $144 billion in state and local fiscal relief for the nation. I will work with my Senate colleagues to protect taxpayers by using every dollar from the economic stimulus package in a way the state can sustain. I am already concerned that most of the money Missouri will receive is in the form of one-time spending to fill budget gaps for ongoing expenses. We must make sure that we do not set ourselves up to drive off a cliff when this money train stops in two years, and we must be careful not to expand government spending so taxpayers won't be left with a hefty bill when the federal money runs dry.

This week, we discussed Senate Bill 313, which would create two separate funds within the state treasury to receive and retain the funds Missouri receives through the federal plan—ensuring that every dollar received is accounted for. Any money the state receives that is intended to replace general revenue, including the temporary increase in Medicaid reimbursements, would be deposited into the "Federal Budget Stabilization Fund." Additional funds received under the act would be deposited into the "Federal Stimulus Fund." With this legislation, funding for indentified projects would be paid through the specially-created funds rather than being mixed with Missouri's general revenue.

We had lots of constituents at the Capitol this week. Most were visiting on behalf of non-for profit organizations, including Multiple Sclerosis, Child Advocacy, 4-H and University of Missouri Extension, Pastor's Day and School Board members.

If you are planning a trip to Jefferson City in the near future, do not hesitate to contact my office. You may reach me at 573-751-3455, send your e-mails to kevin.engler@senate.mo.gov or write to me at the Missouri Senate, State Capitol, Room 331, Jefferson City, MO 65101.

If you know anyone who would like to receive these updates electronically, please send me an email.

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