



Senator Matt Bartle – Serving Jackson County

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Budget Already Focus of 2010 Session

Missourians have been well-aware of the distressed economy for some time now as many families are struggling to make ends meet and unemployment continues to inch closer to 10 percent in our state. Also, state revenues are coming in well below projections. The FY 2010 budget was originally based on a 1 percent growth rate, but the latest numbers put us at negative 10 percent growth as compared to the same time last year—a number that will require us to make cuts somewhere. In reality, the economy would have to grow by 3 or 4 percent in FY 2010 to stay even with original projections because the FY 2010 budget increases spending by 3 percent. By using the stimulus money to avoid putting our financial house in order, we have set ourselves up to make difficult decisions down the road and some tight budget years could lie ahead.

The repercussions of the budget crisis can be felt everywhere. Just one example is the recent announcement that the Missouri Department of Conservation is closing 13 offices and reducing hours at several sites around the state in order to save money.

Also, the governor vetoed \$105 million and withheld an additional \$325 million until revenue improves to help keep the budget balanced. Despite these preemptive cuts and withholdings, 2010 could still be an ugly year as the Legislature tries to balance next year's budget and will more than likely be forced to make additional cuts.

While there is certainly enough bad news to go around, it is important to understand that the economy has its highs and lows, which history has shown us. Just recently, it was reported that the national GDP (gross domestic product) had a lower-than-expected rate of decline for the second quarter, and for the just-ending third quarter, economists are

predicting the number will once again be back in positive territory. The economy will eventually correct itself, but it's critical that politicians don't try to "fix" the economy by adding layers of government control and spending money we don't have. The best approach is to cut taxes and keep government regulation at a minimum in order to allow our entrepreneurs and small businesses to do what they do best—create jobs.

It is important to conserve, spend wisely and budget well. Next session, I am once again planning to propose the Missouri Savings Plan measure I filed this year ([SJR 1](#)). This constitutional amendment, if approved by the voters, would put away 2 percent of the general revenue budget each year in a state savings account. During times of budget shortfalls, or forecasts of decreasing revenue for the upcoming year, the General Assembly would be able to use a portion of the funds to stabilize the budget. This savings account will give us the additional money we need to make it through the tough times, if necessary. And as we can clearly see, it's better to be proactive rather than reactive.

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. You can also visit my Senate website at www.senate.mo.gov/bartle.

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Contact Information

Capitol Office
State Capitol Building
Room 319
Jefferson City, MO 65101

Website:
<http://www.senate.mo.gov/bartle>

Phone Number:
888.711.9278 (toll-free)
573.751.1464

Fax:
573.751.8442