



Senator Luann Ridgeway – Serving Clay County

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[Stopping Excessive Spending](#)

As a member of your Missouri Legislature in Jefferson City, I share an enormous responsibility to use taxpayer money wisely. The Missouri Constitution charges the Legislature with creating and approving the state budget each year.

This was a different—and quite frankly, discouraging—budget year with the influx of so-called federal stimulus dollars into state coffers. Though Missouri is in a much better financial position than most other states, we still must continue to remain vigilant in not living beyond our means—despite the added cushion of federal funding. After all, I represent you, the taxpayer. It is my responsibility to wisely spend your tax dollars. You pay far more in federal taxes to the U.S. Government than you pay in state taxes to Missouri. Therefore, I have a duty to be just as responsible with your tax dollars flowing back to the state from Washington D.C. as I am with your taxes paid directly to Missouri.

Our state's common-sense approach to finances in recent years is the reason we are not struggling alongside states such as Michigan and California – both of which are faced with billions of dollars of debt due to past spending sprees. Missouri has enjoyed balanced budgets without eliminating essential programs and services or raising taxes. At the beginning of this year, the state had approximately \$800 million in surplus money after a significant deficit just four years prior. However, when the recession hit, we quickly found ourselves with a \$600 million deficit. Certainly we never want to be in the red, but compared to other states, we were—and are—in good shape. Still, we should not take this for granted, because we are still standing on a slippery slope that could cause us to tumble if we make the wrong choices.

Missouri is proud to be a fiscally conservative state with little tolerance for excessive spending at

a cost to hard-working taxpayers who already fork over too much of their earnings to government. Responsible budgeting in recent years may have left Missouri better prepared to handle the economic crisis, but this session we saw a troubling departure from reasonable financial planning as many lawmakers voted to carelessly spend millions of dollars that don't even belong to us—they belong to our children and grandchildren who will be forced to foot the bill for the federal stimulus fiasco.

For fiscal year 2010, which runs July 1, 2009, through June 30, 2010, the Legislature approved a \$23.1 billion operating budget. The FY 2010 budget amounts to a 3 percent increase in spending—yet our income (tax revenue) is down 4 percent. Your federal tax dollars came back to us via two funding sources, which include the “budget stabilization fund” and the infamous “stimulus” fund. Unfortunately, our budget was balanced using these funds, as Missouri’s budget contains more than \$780 million in stimulus funding. However, this spending plan is not sustainable in the current economic climate. Recently it’s been reported that the governor cut around \$100 million from the budget through line-item vetoes before it took effect on July 1 as state revenues continue to slide. The 4 percent revenue loss estimate has now moved to an anticipated 6.7 percent drop by the governor’s budget officials. I don’t know how much bigger the warning sign needs to get until we will finally stop spending recklessly.

Difficult decisions needed to be made this year, but the bailout pushed these off to some unknown future date. This is the worst kind of procrastination because the longer we wait, the worse it’s going to get. By using some of the stimulus money this year and holding onto the remainder of it for the 2011 budget, in just two short years, we will have to make the decisions that should have already been made to get us on the road to recovery. The state is doing what no responsible Missouri family would do – which is balance the budget on basically nothing more than one-time lottery winnings or with credit cards.

To give a little more insight about the stimulus package, the money handed down by the federal government can be put into two categories. The first part of the money can be spent at the state’s discretion (the “budget stabilization” funds), and the second is heavily restricted by Washington, giving the states little leeway as to how it can be spent (the “stimulus” fund). Other than the stimulus funds included in the operating budget, the Legislature also passed bills that directed stimulus spending for special projects.

I voted ‘no’ on a \$2.6 billion stimulus supplemental spending bill for FY 2010 ([HB 21](#)). This was the bill that was heavily restricted by federal regulation. I wasn’t necessarily opposed to all of the projects funded under the bill, but I was—and am—opposed to the multi-generational debt the legislation will impose and the fallout that will occur when the money is gone. The programs and projects funded in HB 21 are being misleadingly labeled as one-time expenditures, though one need only look to the \$257 million allocated for special education programs to see that this is not true. After the federal funds run out, what will happen to the kids and families who will now be dependent on these enhanced programs?

Another bill, [HB 22](#), was a stimulus spending bill that the state had leeway to spend. I also voted ‘no’ on this largely pork-laden bill, which is aimed at capital improvements and special projects (\$459 million for FY 2010 and \$141 million for FY 2011). When we are unsure what the economic situation will be like in the next few years, it doesn’t seem prudent to lavishly spend what could be saved. This is just another sign that the spending free-for-all in Washington is taking hold with some legislators in Missouri.

I do not believe that the spending involved with HBs 21 and 22 is the vehicle for getting our

economy back on track. I believe in proven strategies that work, such as reducing the bureaucratic burden of compliance for our businesses and equipping them with the tools they need to grow and be competitive. I believe in letting the free market correct itself and letting competition—rather than the government—decide “winners” and “losers.” Using corporate welfare to create jobs while money is flowing will only result in them being sent overseas when the well runs dry, just as artificially pumping up our state programs and services will only result in a massive cutback when the money is gone.

I am concerned that if we have budget problems in coming years, and with the majority of the stimulus money spent needlessly, we may be in a position where we actually have to make drastic cuts to essential programs and services. At that point, those less inclined toward fiscal responsibility may use the opportunity to petition for tax increases. Rest assured, I will not support raising taxes in any capacity.

More government regulation and intrusion into the free market will not get the economy back on track—at least not in the long run. The sooner Washington understands this, the sooner the economic crisis will pass. I’m doing everything I can to prevent the Washington D.C. mindset of government growth and spending sprees from infecting our state.

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