



MISSOURI SENATE

JEFFERSON CITY

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**A Weekly Column for the
Week of April 13, 2009**

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The Numbers Game

JEFFERSON CITY – The Senate this week passed the 13 budget bills from the House that make up the \$23.2-billion state budget for fiscal year 2010, which begins in July. The Senate version is quite a bit different from the state budget approved by the House, so members of the House Budget Committee and the Senate Appropriations Committee will spend the next few weeks trying to work out a compromise. The state constitution requires lawmakers to complete work on the budget by the Friday before the last Friday of the session, which means this year the House and Senate have to approve the final version by May 8th.

Unlike the House version of the budget, the Senate budget proposal includes an expansion of Medicaid by increasing eligibility to 50% of the federal poverty level. Right now, parents lose their health care if they earn more than \$4,104 per year. Under the Senate proposal, parents of a family of four could earn up to \$10,600 per year and maintain their health care. This expansion will not cost the state a penny in general revenue because Governor Nixon worked out a deal with Missouri hospitals to cover the costs. I don't understand why House Republicans rejected this plan – it makes no sense!

I got a little fired up on the Senate floor this week after a Republican Senator from the Kansas City area complained about “wasteful” state spending on agriculture programs. I reminded this big city Senator that spending on agriculture programs accounts for less than one-tenth of one percent of the state budget and told him maybe he ought to go hungry for a day in order to gain an appreciation of where his food comes from.

I also reminded him that agriculture is Missouri's number one industry, and yet we spend less on agriculture on a per capita basis than most other countries. Frankly, it's a miracle

that farmers can stay in business. I mean, we buy at retail prices, sell at wholesale prices and pay the freight both ways. The ethanol and biodiesel bills we passed in recent years have given farmers another option to add value to their operations while helping the state gain some energy independence.

So I get a bit frustrated when I hear people like this big city lawyer complaining about “wealth redistribution.” Missourians were paying an average of 12-cents a gallon less for their fuel during peak prices at the pumps thanks to the state’s effort to establish an ethanol industry. The economic output from our ethanol plants will be well over \$2-billion, so the state investment in ethanol will pay the state big dividends in the long run. A University of Missouri study found the operation of just one ethanol plant supports 928 jobs.

We still have a lot of work remaining in the final four weeks of the legislative session, and I hope we can pass the big economic development bill before the session ends. The House approved this job creation bill back in February, but it’s been held up in the Senate by a small group of Senators who want to reform the state tax credit system. Like I’ve said, I think that’s a worthy effort in itself, but it should not kill the jobs bill at a time when so many families are struggling to make ends meet. Just this week we learned that 11,000 Missourians lost their jobs in March, causing the state unemployment rate to climb to 8.7% from the February jobless rate of 8.3%. We need to act now to get our economy moving again.

If you have any questions or comments about this or any other issue, give my Capitol office a call at (573) 751-7852, send me an email at wes.shoemyer@senate.mo.gov, or drop a line to Room 434, State Capitol, 201 West Capitol Ave., Jefferson City, MO 65101.