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**Senator
Bill Stouffer**

DISTRICT 21

Senator Bill Stouffer – Cultivating Rural Missouri.

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The Stouffer Report: Some Stimulus Dollars Have Strings Attached That We Cannot Afford

We are faced with a “darned if you do” decision: whether Missouri should take all of the federal stimulus dollars or whether we should tell Uncle Sam thanks, but no thanks, to certain portions of the [American Recovery and Reinvestment Act](#). In particular, the money with the most strings attached also includes a need for Missouri to change its unemployment compensation law.

The proposed changes that are coming from the federal government would mean getting incentive money in the future. However, it would also mean having to pay out a lot more in unemployment compensation to people who do not currently qualify. This would raise the amount of payouts by \$28 million a year. But the federal money only comes in through next year. After that, Missouri would be on its own. This is what is referred to as an unfunded mandate. Worse yet, it is an ongoing program that would only get one-time money — with strings attached.

These changes that would have to be made are, at best, a temporary band-aid. If they are used inappropriately, they will hurt out-of-work Missourians and businesses once the federal dollars run out. We want to hold the safety net for folks who lose their jobs through no fault of their own and keep fraud and abuse from coming in and ruining things. Changing our law and allowing thousands of people who currently do not qualify for unemployment to hop on the wagon will turn into a need to raise taxes on businesses throughout Missouri. This will, in turn, lead to more layoffs and higher prices. The “solution” is worse than the “illness.”

Granted, there are parts of the unemployment stimulus money that have no restrictions. The bill automatically extends the period of time and benefits paid by the [Emergency Unemployment Compensation](#)

[Program](#) enacted by President Bush last year. It also adds \$25 a week in unemployment compensation, in addition to the benefits already given by the state. These aspects of the stimulus plan do what should be done: take temporary steps to help people in the short-term. We simply cannot add bureaucracy and create a system that winds up giving folks benefits and enticements to stay on unemployment indefinitely. Growing government and its power is NOT what the stimulus bill should be about.

What is the answer? Getting people back to work. The Senate has three visionary committees that will start to come up with solutions very soon. There is also a blue ribbon panel that may soon be put together. These are the answers to helping put people back to work. We need to work together to come up with reasonable solutions that do not wind up costing the state more than it can afford.

Raising taxes is NOT an option — period. If we can turn down federal money that has mandates tied to it, I think we should. We are not in the business of making government more powerful and bigger. It is my hope we are able to keep government as far away from your pocketbooks as possible.

Our goal in using the stimulus funds should be simple: increase jobs and revenues in our state — not just add to future costs and burdens that drag us down. We have to be worried about honoring taxpayers and their pocketbooks and take-home pay, both today and in the future.

If you have questions or comments about this or any other issue, please call toll free (866) 768-3987 or by e-mail at bstouffer@senate.mo.gov.

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