

## The Stouffer Report: We Have to Make Tough Decisions

It is time for Missouri lawmakers to make the decisions that we have put off making for the past two years. Not only does the 2011 state budget depend on it, but the future of Missouri depends on it as well.

Although our state is in relatively solid shape, I believe the Legislature did not make the kinds of long-range decisions it should have made this year. Instead, state government relied on federal stimulus dollars to get us through the current fiscal year, which will run through June 30, 2010. The rest of the American Recovery and Reinvestment Act (ARRA), or stimulus, funds will come into the state next year. But, letting another so-called "bailout" carry us during a recession is not the best way to manage your money.

In the month of October, the state dipped into the rainy day fund, known officially as the budget reserve, to the tune of \$150 million. This money was used mainly to pay teacher salaries and other expenses. So far this fiscal year — which, again, started on July 1, 2009 — Missouri has borrowed \$350 million from the rainy day fund, which leaves the fund with around \$170 million. By law, Missouri has to re-pay the money by May 15, 2010.

In recent weeks, the governor has laid off roughly 100 employees with the <u>Missouri Department of Natural Resources</u> (DNR), most of whom work in the parks system. The reason being given is the one-10<sup>th</sup>



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of a cent sales tax that supports parks is not bringing in as much money as it usually does, the result of the lagging economy. The governor says cutting these jobs will save Missouri around \$63 million. These folks are responsible for managing 85 parks and historic sites in Missouri. So far this year, the administration has cut over 1,500 jobs.



The governor also used his veto pen on this year's budget. He vetoed \$105 million, is holding around \$325 million and wants state departments to cut another \$60 million. This move comes in addition to the fact we used around \$900 million in federal stimulus money to balance the state budget. Without this help, which I still say was not the right answer, we would be in a lot more trouble than we are because we failed to make tough choices. Next year, we will see another \$1 billion in federal money. I would love for us to be able to say we do not need the funding, because we have our fiscal house in order, but I doubt this will be the case.

I do not think we have seen the last state job cuts. I am sure the governor will ask for more withholdings. What we need to do in the General Assembly is figure out what we need and what we cannot afford. If we do not accomplish this during the next session, our budget picture may resemble what they are doing in Washington, D.C., and this is NOT something we want to happen.

Senator Stouffer serves the counties of Carroll, Chariton, Cooper, Howard, Lafayette, Macon, Ray, Saline, and a part of Clay.

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.