



WEEKLY REPORT

State Senator Gary Nodler
District 32



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Week of February 2, 2009

A Bipartisan Effort to Promote Fiscal Accountability

This would be an interesting week to be in Washington, D.C., as the U.S. Senate continues to work on an economic stimulus plan that is now in the neighborhood of \$900 billion. As work there continues, my concerns grow about the funding that Missouri could receive. Last week, I talked about the importance of closely tracking any dollars that come in through the federal recovery package. This week, I have filed legislation that would more specifically address this issue and keep our state open and honest about spending. I am pleased to say I have the support of Sen. Joan Bray (D-St. Louis), the ranking Democrat on the Senate Appropriations Committee, who has signed on as the co-sponsor of the bill.

At this writing, the debate is continuing in the U.S. Senate over the particulars of the federal stimulus plan. Current drafts have almost one-quarter of the recovery package going directly to states. This funding comes in a variety of forms including federal aid to state-sponsored health care programs, education funding, and infrastructure improvements. Senate Bill 313 would create two separate funds within the state treasury to receive and retain the funds Missouri receives through the American Recovery and Reinvestment Act of 2009—ensuring that every dollar received is accounted for. Any money the state receives that is intended to replace general revenue, including the temporary increase in Medicaid reimbursements, would be deposited into the “Federal Budget Stabilization Fund.” Additional funds received under the act would be deposited into the “Federal Stimulus Fund.” With this legislation, funding for indented projects

would be paid through the specially-created fund rather than being mixed with Missouri's general revenue.

One advantage to the creation of the "Federal Stimulus Fund" is that it could help our state gain preference to receive grants through the federal plan. We need to be prepared to utilize any federal funds as quickly and effectively as we can, while making sure each dollar is accounted for.

The creation of these two funds is not a new idea for our state. While most of the appropriations made by the Legislature come from General Revenue, there are a variety of funds in Missouri's treasury for money that is taken in through other ways. For example, there is a fund for the state's share from the tobacco settlement, a fund created to accept and then distribute payments from the Missouri Higher Education Loan Authority for campus construction projects, and even a fund to collect admission fees from the Missouri State Fair. These funds were created in order to make sure that the dollars being taken in didn't merely get absorbed into the state's general funds—providing an exact record of what is received and what is subsequently spent.

We remain unsure as to what results the federal government may ultimately provide, and I am committed to creating a balanced budget based on the funds Missouri has now. However, we must also remain prepared to handle any additional one-time federal dollars with responsibility, effectiveness, and transparency.

*Senator Gary Nodler represents the people of Newton, Jasper
and Dade counties in the Missouri Senate.*