



SENATOR LUANN RIDGEWAY DISTRICT 17

CAPITOL REPORT

Senator Luann Ridgeway – Serving Clay County

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“Government always finds a need for whatever money it gets.” -Ronald Reagan

The big buzz in our State Capitol has centered around the governor’s recent State of the State address. Tis the season for such speeches as the President will deliver the annual State of the Union address this Wednesday, January 27.

Our governor delivered what I would call a “safe” speech—nothing controversial. It also wasn’t really a “State of the State” address as it failed to address the state of our state. So here are some facts about what Missouri is facing:

1. Unemployment: We are facing very high unemployment at about 9.6 percent. This varies according to the source of the numbers, but is still quite high. It is slightly below the U.S. unemployment rate, which is more than 10 percent.
2. Missouri’s income and expenses: With so many people unemployed, it is not surprising that projected tax revenues are down. Income taxes remain Missouri’s primary source of general revenue. We draft our budget based on projected revenues for next fiscal year (which runs July 1, 2010, through June 30, 2011). Last year Missouri budgeted to spend about \$23.1 billion. As of early January, Missouri’s income is down about 10.6 percent. Revenues have fallen more in the last year than they had in any two-year period since 1981. We have to find waste, fraud and abuse in our expenditures and get rid of it. We also have to get back to funding only core government services. Not every good idea deserves taxpayer support—see the Ronald Reagan quote above.

3. Taxes: The good news is that the governor and most all of us serving in the House and Senate have pledged to balance our state budget this year without raising taxes. The bad news is that Missouri's State Tax Commission (made up of people appointed by the governor) has recommended a change in the way agricultural property is assessed for tax purposes. The net effect could be up to a 29 percent tax increase on agricultural land. Further bad news is that the governor has not called upon the commission to withdraw its ruling. This leaves it up to the House and Senate to disapprove this bureaucratic tax increase by passing resolutions to do so. Such resolutions are currently on the fast-track in both the House and Senate. Missouri's two biggest income-producing industries are agriculture and tourism. In these tough economic times, we must continue to implement tax decreases rather than burden Missourians with tax hikes.
4. Education: The House and Senate leadership continue to support full funding of our K-12 schools according to schedule, which will require about \$120 million more this year. Surprisingly, the governor's education funding proposals would leave schools under-funded by \$87 million. The governor has also cut around \$50 million from higher education funding. I do not intend to let these education cuts pass.
5. Health care: The governor was silent with regard to the proposals for government control of our health care system flowing from Washington, DC. It is imperative that states assert their sovereignty on this and many other issues. Washington, DC is trying to micro-manage in areas where it has little to no constitutional right to do so. There has already been a major state sovereignty rally in the Missouri Capitol and the Missouri House has passed a resolution basically telling the federal government to keep out of our health care decisions. The proposals being tossed around in Washington (at least those that were debated prior to the Massachusetts Senatorial election) would have forced the states to pick up the tab for a massive expansion of the welfare state. I am sponsoring a resolution that would allow the voters of Missouri to decide if they want our tax-sponsored political subdivisions to participate in any "public option" health program—if one is ever passed in Washington, DC. My bill will be heard by a Senate committee this week. Basically it allows you, as voters and taxpayers, to decide whether our political subdivisions should be allowed to flee from the private insurance market over to a taxpayer-subsidized and government-managed health plan. If government employers fled the private insurance market, it would adversely impact health care choices of government employees, plus would likely cause a near-collapse of our private insurance market for all other people currently insured.

All of us in the Legislature and in the governor's office will have to work together to pass a balanced budget without raising taxes. Especially at this time, we must continue to reject the bailout mentality that has gripped Washington, DC.

Missouri's budget is in far better shape than most others in the union because we have held the line on expanding the welfare state, while at the same time reducing taxes. I look forward to the debate on these issues and encourage you to let me know your ideas as well.

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