



Senator Luann Ridgeway – Serving Clay County

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Creating a Balanced Budget

Missourians are well-aware of the effects of the economic downturn and how it has required them to tighten their household budgets. The recession has affected our state in the same way, as lawmakers are currently working to create a budget for the upcoming fiscal year that falls within our means and maintains our commitment to financial responsibility.

Unfortunately, what makes this economic slump different from any other is that the problems we face will not be fixed with temporary solutions. We must consider dramatic changes to the way our state government operates, making it more efficient and effective while reducing spending. Our state's conservative values and wise financial decisions in recent years have allowed us to weather the storm better than many other states, but difficult budget choices are forthcoming as the Senate begins work this week on its version of the fiscal year 2011 budget.

One of the most important duties of the Legislature each session is to allocate money for state programs, projects and services for the coming fiscal year. In fact, creating a budget is the only constitutionally required task lawmakers must complete every year by a certain deadline. This year, we must submit a balanced budget for FY 2011 to the governor by May 7, which means that in addition to facing historic revenue declines, we are also in a race against time to put together a balanced budget before the deadline.

The budget process is long and complicated, and it requires a large amount of compromise. First, the governor submits his budget recommendations to the Legislature early in the year (which he did in January). Lawmakers take into consideration the governor's recommendations, as well as the

testimony heard in the House Budget Committee and Senate Appropriations Committee from various state departments and agencies, as well as the public, in the first weeks of session. The budget is divided into several bills according to state department, which originate in the House. Appropriations bills must first be passed by the House Budget Committee, then by the House as a whole, before they come to the Senate.

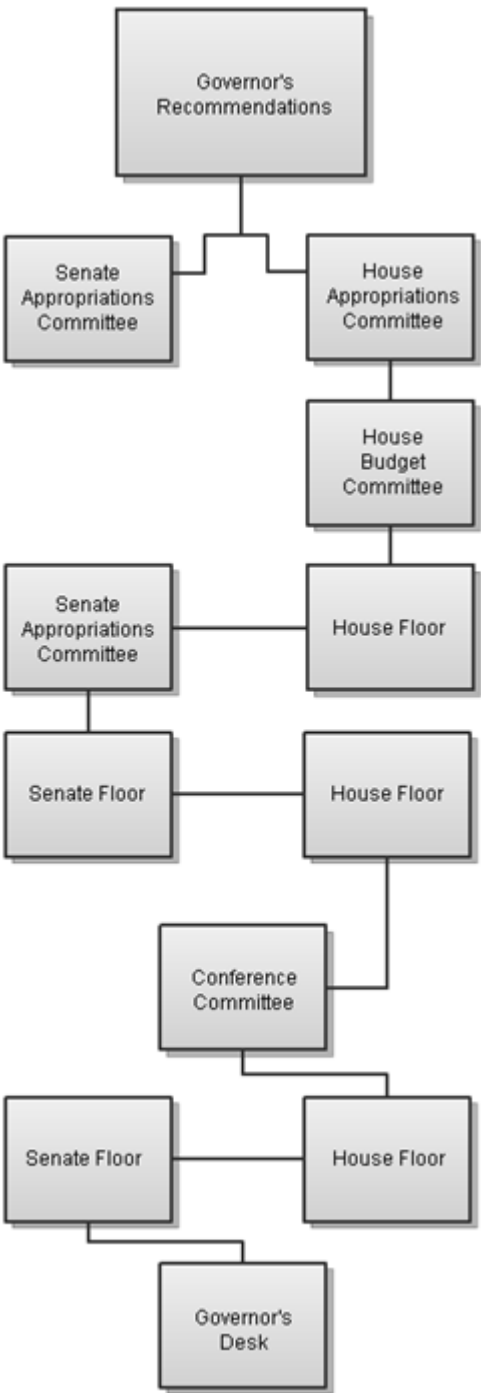
Once the bills reach the Senate, they are sent to the Senate Appropriations Committee, which then combs through the House's budget allocations, and develops its own version of the bills (this is where we are currently at in the process). The bills must be passed out of the committee before moving to the full Senate for debate. After they are passed by the Senate, the appropriations bills go back to the House for approval; however, since changes are typically made to the House's budget in the Senate, both chambers must work out their differences. This usually happens in a conference committee, which consists of members from both the House and Senate. Compromises are made, and then the bills return to each chamber for one final vote of approval. Finally, the budget is sent to the governor. As you can see, it is a time-consuming, complex process, but it is designed to ensure that the budget is created with thoughtfulness.

This year, we must make cuts on a much larger scale than previously thought, especially given the overly hopeful revenue projections we were using to draft a FY 2011 budget a mere few months ago. However, let me assure you: we are all committed to creating a budget that will make state programs and services operate with more efficiency, but will not further threaten Missouri's future financial standing. We will fulfill our constitutional obligation to create a balanced budget, but we must understand that serious cuts are unavoidable.

I am encouraged that so many of my colleagues are committed to being fiscally responsible and not raising taxes on hard-working Missouri families. Our budget situation is not to be taken lightly, but with restraint and innovation, it is not impossible to turn around. The economy may be cyclical, but our actions during the tough times are what will shape our state for years to come.

Your Questions Answered

Do you have questions about state government? As you know, times are tough and government as we know it is changing quickly and dramatically. My door is always open to your questions and your suggestions on solutions. I will routinely feature some of the most frequent questions that come to my office—I hope to hear from you!



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