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Capitol Report – April 16, 2010

This week the Missouri Senate adopted a \$23.1 billion state operating budget for FY 2011. I serve on the Senate Appropriations Committee which had the very difficult task of making reductions of nearly \$500 million to the governor's proposed budget from January. With our state facing the worst revenue shortfall in its history, the Missouri Senate took the lead in making the difficult decisions required to balance our state budget and to ensure our state lives within its means *without* raising taxes.

This is one of the toughest budget years I have ever experienced in Jefferson City. State revenues declined more than 13 percent in the first three months of this year—from \$5.4 billion in collections last year to \$4.7 billion this year. State budget officials estimate that net general revenue for the current FY 2010, which ends June 30, will ultimately decline to \$6.73 billion—a \$700 million decrease from FY 2009 collections and the largest in state history. (The state budget is comprised of general revenue collections, federal funding, and dedicated constitutionally-passed taxes.) Due to sharp declines in state revenues, the governor has already cut more than \$850 million from the FY 2010 budget.

Despite the current economic challenges, the Senate voted to maintain the school funding formula for K-12 schools at current levels, at slightly more than \$3 billion. We also voted to reduce higher education cuts by the same level recommended by the governor (\$50 million) in order to hold universities to their promise not to raise tuition. The Senate budget plan also approved \$37.5 million for funding the Career Ladder incentive program for teachers for work completed in the 2009-2010 school year. The Career Ladder funding would be contingent on whether Missouri receives an additional \$300 million in federal stabilization money. We also reduced ACCESS Missouri Scholarships by \$13 million, but the proposed cut is not anticipated to affect the program's core funding. In addition, we reduced Parents as Teachers funding by half, to \$13 million. If approved, a Senate-supported bill would continue to provide the first six Parents as Teachers visits to families for free. Senate budget writers also held the line on "new spending" items proposed by the governor. We cut our own operating budget by 5 percent, or nearly \$500,000.

The Senate budget plan also reflects millions of dollars in savings that came from suggestions from Missourians who sent in their ideas for rebooting government to the Senate web site. We looked at state departments and identified how they may run more efficiently and eliminated more than 1,000 government jobs, including taxpayer-funded lobbyists, and items like equipment, travel and expenses.

During the past several weeks, I've had the opportunity to meet and visit with many of my constituents and other citizens from across the state who shared their budget concerns with me. I share their concerns. The Senate Appropriations Committee was required to make some very difficult choices, and none of those decisions was taken lightly. Making those decisions, however, was necessary to keep our state on a fiscally responsible path, to base the state budget on reality — on money we have

in the bank — and not on wishful thinking. We made the best possible decisions under the circumstances—without raising taxes—in order to serve our citizens while meeting our state's requirement for a balanced budget.

The proposed budget returns to the House and will likely go to conference to work out the differences between the two Chambers. Lawmakers have until 6 p.m. May 7 to deliver a final budget to the governor.

Please do not hesitate to contact me on this or any other issues of concern to you. I appreciate and welcome your comments.