

Week of January 25, 2010



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Time to Face Budget Realities

Last week my colleagues and I listened to the governor give his annual State of the State address. While the governor was optimistic about the future, I am concerned that his assessment doesn't line up with our current budget situation. This year's budget is still not balanced and the governor's budget proposal for FY 2011 is dependent on uncertain federal money as well as the remaining federal stabilization funds from last year. We cannot deficit spend as we ride out these tough economic times. Instead, we must make the tough decisions that are necessary to balance our state budget while still keeping sight of our top priorities—such as fully funding our public K–12 schools.

The budget for this fiscal year is still about \$200 million short despite the governor slashing more than \$600 million in spending. What's worse, instead of making difficult decisions to get us back on track for the upcoming fiscal year, the governor is banking on funding from the federal government that has yet to be approved to plug our budget holes. Specifically, his proposal accounts for \$300 million from a yet-to-materialize federal budget stabilization extension. The budget proposal also depends heavily on spending the remaining stabilization funds we do have—approximately \$900 million. We cannot achieve our long-term goals for our state on a budget built in sand.

I am also deeply concerned about the governor's proposals for education funding. As chairman of the Senate Education Committee, I am committed to making education our budget priority for the year. The governor, however, proposes—for the first time since it was enacted in 2005—not fully funding the state's school foundation formula for public elementary and secondary education. His K–12 school funding plan falls approximately \$87 million short from the amount needed to fund the formula. By not providing the phase-in of funding that was originally promised to school districts, we could potentially

set ourselves up for a lawsuit. Schools could sue the state, and ultimately, this could lead to the courts calling for a tax hike on Missourians to fully fund the formula. The governor has pledged not to raise taxes on Missourians, but his proposals are saying otherwise.

The governor is also proposing to slash higher education funding by more than \$40 million in addition to cutting funding for scholarships. Without scholarships, many Missouri students cannot afford college. Without an educated workforce, we are putting our state's economic future in jeopardy.

On a more positive note, I do agree with the governor's pledge to provide insurance coverage to those with autism. We are considering a bill this session that would help Missouri families with the tremendous costs of caring for a child with autism by requiring health carriers to provide coverage for the diagnosis and treatment of the disorder. The prevalence of autism among our children requires us to take action to help Missouri families who are struggling to provide the best care. Providing insurance coverage for autism will save our state money in the long-run and improve the quality of life for Missouri families affected by autism. I'll continue to keep you updated on the status of the legislation throughout the session.

If we are serious about getting Missouri's budget back on track, we must be proactive, not reactive. We cannot deficit spend; we must balance our budget and only spend within our means (our state constitution requires the Legislature to create a balanced state budget every year). Building our state spending plan on what we hope will be, not what is, will only lead to more trouble down the road, ultimately resulting in us having to make even more painful cuts later. We need to make the tough decisions now, and we must honor our commitment to not raise taxes to make up for any lost revenue. I'm grateful that a majority of my colleagues in the Legislature feel the same way.

As always, please feel free to contact me or my staff with any questions or concerns at any time. We look forward to hearing your comments and suggestions and trying to answer any questions you may have. You can reach us by phone at 866-277-0882 (toll-free) or 573-751-2272, or by fax at 573-526-7381.

Senator David Pearce serves Bates, Cass, Johnson and Vernon counties in the 31st State Senatorial District.

Contact Information

Capitol Office
State Capitol Building
Room 419
Jefferson City, MO 65101

Website:
<http://www.senate.mo.gov/pearce>

Phone Number:
866.277.0882 (toll-free)
573.751.2272

Fax:
573.526.7381