

Week of April 19, 2010



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## Budget Advances in Senate

Even though the Senate passed its version of the fiscal year 2011 budget last week, it could be argued that the hardest part is yet to come. This week a budget conference committee begins hammering out the differences between the two chambers' spending plans, and tries to reconcile them into one package that can be passed by the Legislature and sent to the governor by the May 7 deadline.

The conference committee consists of 10 members, five each from the Senate and House. As a member of the Senate Appropriations Committee, I've seen firsthand how difficult it was to make certain funding cuts, so I know they have their work cut out for them in the days to come. After the conference committee agrees upon one version of the budget, it will return first to the House, and then to the Senate for final approval before being sent to the governor's desk.

The Senate ultimately approved a \$23.1 billion spending plan for FY 2011, which begins July 1 and runs through June 30, 2011. We were forced to cut more than \$450 million from the governor's initial funding recommendations, which he presented back in January. Drastically declining revenues have given us nearly \$1 billion less to work with than last year, so painful decisions were inevitable. Unlike the federal government, Missouri cannot deficit-spend, and we must submit a balanced budget each year. We have a responsibility to taxpayers to only spend within our means, and to treat their hard-earned money as if it was our own.

Despite the spending reductions we were forced to make to ensure Missouri's future economic stability, we were still able to achieve our top priorities. We did not raise taxes on Missourians, and at the same time we tried to minimize the effect the cuts will have on people by spreading them out to all areas of government. Perhaps most importantly, we

were able to continue supporting K–12 schools with the funding they need to educate our children at the level we expect. Still, education was not completely unaffected as we decided to reduce spending for certain programs.

While these cuts were not easy because we know that many Missourians depend on state programs and services in some form or another, it was important for us to focus on finding the best use for every tax dollar. We put a moratorium on new spending, and trimmed state departments, positions, equipment, travel, holidays and much more, saving millions of dollars now and in the future.

In addition to reducing spending, the Senate is advancing several “Rebooting Government” measures that will save taxpayers millions of dollars. We know that state government at its current level is unsustainable in this economic environment, which is why structural changes will be just as necessary as short-term budget cuts.

This year will likely not be the end of our budget woes, as next year is projected to be even tighter. Still, by taking action now, however tough it may be, we will be much more equipped to face what may lie ahead. Our state’s citizens will be best served in the long run by the decisions the Senate made last week, and we know that despite spending reductions, we have a plan that meets the most critical needs of Missourians without asking them to shoulder a tax increase. We must continue maintaining our commitment to fiscal responsibility and keeping our eye to the future as we try to emerge from this economic crisis.

As always, please do not hesitate to contact my office with your 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 31<sup>st</sup> State Senatorial District.*

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