

For Immediate Release  
February 11, 2010

# SHARING A VIEW OF THE STATE

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Issues and Comments – 33<sup>rd</sup> Senatorial District

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*Senator*

## **Chuck Purgason**

### Building Castles in the Sky

"The principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale."  
- Thomas Jefferson, letter to John Taylor, May 28, 1816

As I mentioned in a previous column, the Governor and the House and Senate budget leaders have agreed upon the revised consensus revenue estimate (CRE) for the remainder of this fiscal year which ends on June 30, 2010, predicting that revenues will be 6.4% less than expected at \$6.97 billion in general revenue. The fiscal year 2010 budget was passed based upon an overly optimistic revenue estimate of \$7.76 billion.

They also agreed upon the consensus revenue estimate for the next budget year which begins on July 1, 2010, suggesting a growth in state general revenue collections of 3.5% resulting in \$7.223 billion of general revenue.

It was revealed last week that January revenues are 22.36% less than they were in January of last year with year to date revenue collections now falling to a negative 12.55% down from 10.5% last month year to date. As a result, Governor Nixon announced another round of withholds from the current budget of \$74 million.

Unlike Congress, we must have a balanced budget. The state of Missouri can't print money to satisfy unrestrained and politically motivated spending habits - even in an election year. To have a balanced budget, the General Assembly and the governor's office must build a state budget at or, preferably, below that target.

The Governor's budget proposal would spend \$8.317 billion of general revenue, a number that exceeds the agreed upon CRE by \$1.09 billion, or 15% - this is not a balanced budget proposal. The governor would pay for these excessive increases with federal "stimulus" money, which I contend is federal "dependence" money. This money, which Missouri is expected to receive, is about \$900 million plus a phantom \$300 million that might come from the

federal government even though the legislation has not been passed by Congress yet.

After years of fiscal discipline, a budget is now being proposed that relies on significant one-time monies that may or may not materialize. Our budget difficulties earlier this decade stemmed from uncontrolled spending that relied on one-time monies. This can't be done, but politicians are often afraid of making the difficult decisions that require discipline, because they fear unpopularity, especially in an election year like this one.

The disciplined decisions of the past few years have put Missouri in better financial position to weather this economic downturn than most states. Missouri remains one of only seven states that still have a triple-A bond rating from the three major bond rating agencies.

The proposed budget suggests that \$900 million of one-time monies be used to pay for ongoing operating costs of government and its programs. This money will not be available next year.

It may be considered good politics by some, but it is lousy fiscal policy. We can't allow the federal "stimulus" to lead us down the path to ever more federal dependency and greater threats to the pocketbooks of Missourians.

How out of touch with our existing economic situation can we be to accept a budget that requires 15% more in general revenue knowing that we are currently experiencing 9.6% unemployment in Missouri? It just won't happen - even the 3.5% CRE is too high and is setting us up for even bigger budget problems next year and for years after.

This is a time for restraint, a time to prioritize, and a time to drive efficiencies into the state bureaucracy. It is a time to shed the hindrances that hold back innovation and invention, a time to empower Missourians to build dreams, not sustain them where they are.

People are outraged with the unparalleled and unabated spending spree in Washington, D.C., that denies the economic reality that we live in. Missouri cannot, and must not, follow in those footsteps.

As always, I appreciate hearing your comments, opinions, and concerns. I can be reached in Jefferson City at (573)751-1882, you can e-mail me at [chuck.purgason@senate.mo.gov](mailto:chuck.purgason@senate.mo.gov) or you can write to me by regular mail at 201 WEST CAPITOL AVENUE, ROOM 420, JEFFERSON CITY, MO 65101.

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