

For Immediate Release

May 14, 2010

SHARING A VIEW OF THE STATE

Issues and Comments – 33rd Senatorial District

Senator

Chuck Purgason

For the past couple of years, and especially this year, many of my columns have been written about the coming budget crisis that the state of Missouri faces if we are not able to get needed reforms into place to allow us to balance a state budget that does not come down hard on education and other state services. In dealing with the subject, it is a little like the movie *Ground Hog Day* where Phil Connor wakes up every day to February 2nd regardless of what he does.

I have that same feeling when it comes to the looming budget crisis. In 2005, the state had reached a budget crisis. A large part of the problems causing this budget shortfall was the growth of Medicaid during the good times of the 90's.

The state of Missouri had gone far beyond the minimum federal guidelines when it came to eligibility for programs. It was creating a budget crisis that had to be addressed. I was asked to carry the bill that reduced these programs.

Many of these programs were created in 1960's and had not been updated or scrutinized for over 40 years. One the things we did was to sunset the entire Medicaid program so we could bring in a new system that was more up to date with the latest technology and health care delivery systems.

In other words, we ended the Medicaid program and then put a deadline on the General Assembly to work hard to design a new program. This is one of the most harsh, but effective, ways of getting politicians and special interests off their behinds to work together to come up with workable solutions to address major problems.

I have tried this same approach to tax credits. Tax credits have become an entitlement that never enters the budget appropriation process. These credits have grown to over \$600 million per year of state revenue that flows to various tax credits programs that the legislature has deemed to be worthy of these taxpayer dollars. Some

of the largest amounts of these credits go to developers and big businesses and corporations that hire many lobbyists that work the halls of your state capitol.

By putting sunsets on these tax credit programs, it would force the special interests and legislators to come up with a better way of approaching economic development.

What I have found out in trying to do that is that tax credit interests have more money to influence politicians than Medicaid recipients have. So while it is alright to sunset a program that takes care of people in wheelchairs and nursing homes, you better not touch a program that gives tax dollars to people who restore old buildings. This I have discovered is a political reality in Jefferson City.

I tried very hard to get these same sunsets on the tax credits that we now have but failed to do so. We did, however, accomplish the task of not passing any new ones at this time.

As our budget crisis grows, the need to reform these runaway costs to the state will build until we reach the point that either we address these issues or education and other areas of our state budget will feel the brunt of wholesale reductions while the top supporters of campaign donations continue to drive the taxpayers of this state to the poorhouse while the others live in the penthouse.

As always, I appreciate hearing your comments, opinions and concerns. I can be reached in Jefferson City at (573)751-1882, e-mail to chuck.purgason@senate.mo.gov or by regular mail at 201 West Capitol Avenue, Room 420, Jefferson City, MO 65101.

#####