

STATE SENATOR
DAVE SCHATZ
DISTRICT 26

SESSION REPORT

INSIDE:

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State Budget Explained

Transportation Update



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MISSOURI BUDGET

Distribution of Each Tax Dollar Fiscal Year 2018 After Veto Total Operating Budget All Funds: \$27.710 Billion



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*Includes: Revenue, Office of Administration, Elected Officials, General Assembly, and Statewide Real Estate

With directed federal funds included, the state budget looks much larger and includes far more social services and health care spending.

General revenue is the monies received at the state and local levels of government that can be used for any purpose. These unallocated funds are received through business, personal and property taxes. The state may use the funds in most any way it sees fit since the funds are not directed.

For example, education appropriations make up a greater proportion of general revenue dollars than of the total budget because the Legislature prioritizes education with state money, but many federal funds go to social services. General revenue funds are allocated by lawmakers and then approved by the governor in his final budget.

Federal funds that Missouri receives are counted toward the total budget. Federal funds are given to Missouri through grants and also to help administer federally based programs like Medicaid. When these monies are given to Missouri, they are earmarked for a specific purpose.

The same is true for certain state funds. Funds such as revenues from the state fuel tax are dedicated to transportation and must be spent on transportation issues.

Both state and federal funds must be used as directed by law. It is general revenue monies that lawmakers allocate every year in our state budget.

For Fiscal Year 2018, there is \$9.367 billion in general revenue out of the state's \$26.8 billion total budget.

DISTRIBUTION OF EACH TAX DOLLAR FISCAL YEAR 2018 OPERATING BUDGET General Revenue: \$9.367 Billion



*Includes Revenue, Office of Administration, Elected Officials, General Assembly and Statewide Real Estate

Missouri's general revenue allocations.

TRANSPORTATION, INFRASTRUCTURE AND PUBLIC SAFETY COMMITTEE

Through the summer and fall, I have been attending meetings of the 21st Century Missouri Transportation System Task Force. I was selected to be the vice chairman of this committee, and I am looking forward to carrying the committee's recommendations for highway funding in the upcoming session.

Missouri undeniably has a highway funding problem. Our current gas tax of 17 cents per gallon was passed in 1996. While this source of revenue has remained flat, the cost of concrete, asphalt and construction labor has increased in the last 20 years. When adjusting for inflation, the purchasing power of 17 cents in 1996 is less than 8 cents today. The result is the deteriorating conditions we see on the state's roads and bridges. With more than 800 bridges in Missouri being classified as "poor" by the Federal Highway Administration, we now find ourselves in a dangerous situation.

Our counties and cities also rely on a portion of the gas tax to maintain their local roads and bridges, so this problem is truly statewide. MoDOT has done an admirable job of cutting costs and consolidating resources, but they cannot be expected to maintain 21st century highways with 20th century funding. MoDOT estimates that they need at least \$170 million in additional funding to maintain current levels of maintenance and begin tackling the state's poor bridge conditions. MoDOT would need another \$655 million to begin reconstructing I-70, improve multimodal transportation options and expand highways across the state.

So how will the state meet this financing challenge? I believe the state is overdue for an increase in the gas tax that was set in 1996. Raising the gas and diesel tax by just 5 cents apiece would generate over \$205 million. The 21st Century Missouri Transportation System Task Force has also studied other states that have indexed their gas taxes to inflation and states that have instituted a fee for electric

vehicles so that those vehicles are paying their fair share to maintain the roads.

I am still studying this issue and consulting with my colleagues, but I know that we cannot fail to act on highway funding. Allowing more and more bridges to fall into disrepair is a catastrophe waiting to happen. However, it is one we can avoid.

HIGH-PRIORITY UNFUNDED ANNUAL TRANSPORTATION NEEDS



COMMITTEE MEMBERSHIP

TRANSPORTATION, INFRASTRUCTURE AND PUBLIC SAFETY, CHAIRMAN

SENATE INTERIM COMMITTEE ON LABOR REFORM, CHAIRMAN

GOVERNMENT REFORM, VICE-CHAIRMAN

21ST CENTURY MISSOURI TRANSPORTATION SYSTEM TASK FORCE, VICE-CHAIRMAN

COMMERCE, CONSUMER PROTECTION, ENERGY, AND THE ENVIRONMENT

ECONOMIC DEVELOPMENT

GUBERNATORIAL APPOINTMENTS

JOINT COMMITTEE ON TRANSPORTATION OVERSIGHT

MISSOURI STATE UNEMPLOYMENT COUNCIL

MODOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM(MPERS) BOARD OF TRUSTEES

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EXTRAORDINARY SESSIONS UPDATE

This summer, the governor convened the Missouri General Assembly for two extraordinary sessions. During the first extraordinary session, the Legislature passed a bill to allow the Public Service Commission to negotiate rates between utility providers and manufacturing companies in southeast Missouri. With House Bill 1 now in effect, companies are choosing to invest in our communities. Because of the Legislature's support for more flexibility with regulations, more than 500 jobs may be coming to our state.

On June 7th, the governor called the General Assembly into its second extraordinary session of the year. The call was in response to an activist federal judge who abolished almost all regulatory standards — the same standards required in other medical facilities in Missouri — for abortion clinics, subsequently putting the health of women in serious danger. Some of those key provisions included requiring abortion clinic physicians to meet with patients 72 hours before the procedure is performed.

Other additions to the law include annual, unannounced inspections as well as preventing clinic employees from requesting ambulances silence their sirens or use a back entrance when responding to a medical emergency at the clinic. It had come to light that some clinic employees would ask emergency personnel to respond in a manner outside of their usual protocol in an effort to not draw attention to a medical emergency at the clinic.

The session also addressed a new St. Louis "abortion sanctuary city" law that treads directly on the religious and First Amendment freedoms of Missourians. During this special session, the General Assembly passed regulations that restore health standards in these medical facilities, preserve religious freedom and protect the life of the unborn. The governor signed Senate Bill 5 into law July 26th.