



From the House...

State Rep. David Day

Capitol Office

201 W. Capitol Avenue
Room 234
Jefferson City, MO 65101
Tele: (573) 751-1446

Legislative Assistant
Angie Thessen

E-mail:

david.day@house.mo.gov

Website:

www.StateRepDay.com



Committees

Chairman

Veterans Committee

Vice Chairman

State Parks and Waterways

Member

Committee on General Laws

Professional Registration &
Licensing

Joint Committee on Terrorism,
Bioterrorism, and Homeland
Security

Government Accountability
and Ethics Reform

Follow Rep. Day Online

[FACEBOOK](#)

[TWITTER](#)

A Time for Difficult Decisions

A few weeks ago Governor Nixon delivered the annual State of the State address to the Missouri General Assembly, the Missouri Supreme Court, Missouri Cabinet heads, and to the people of our state. Since then, the issue of how to balance our state budget during these difficult times has been the number one topic in both meeting rooms and the halls of the capitol.

In the normal process of working on the budget, in January the Governor, House, and Senate budget leaders came together and agreed upon the revised consensus revenue estimate 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 what we now know was an overly optimistic revenue estimate of \$7.76 billion.

They also agreed upon the consensus revenue estimate (CRE) 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. This now also appears to be overly ambitious and will likely be adjusted.

At the end of January it was revealed that 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. As you probably know, unlike Congress, Missouri must have a balanced budget. The state of Missouri cannot print money to satisfy politically motivated spending habits - even in an election year.



Rep. Day working in committee

Those budget predictions, while missing the mark, were predictions that the Governor and leaders of both chambers agreed on. Seldom are the exact numbers predicted, because those numbers are just that...a prediction. However, normally the estimates are much closer than this time, the economy has taken many turns in the last year that most experts underestimated.

Governor Nixon'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 plan would pay for these increases with one-time federal stimulus money. While I respect the Governor, this approach is one area where we disagree.

The Governor's proposal relies on significant one-time monies, some of which may or may not materialize. Our budget difficulties earlier this decade stemmed from uncontrolled spending that often relied on one-time monies. In my opinion, this

mistake can't be repeated, 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 difficult decisions of the past few years have put Missouri in a better financial position to weather this economic downturn than most states. Missouri remains one of only seven states in that nation that still has 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 bad policy.

In my opinion, now is a time for restraint, a time to prioritize and yes, a time to make difficult decisions. Every Missouri family and business has had to make difficult financial decisions, why should the taxpayer funded government be any different? It absolutely should not. Almost all of the people in the 148th District that I visit with are outraged with the out of control spending spree that is happening in Washington, DC. Missouri cannot, and must not, follow in those footsteps.

As always, I hope that if I can be of assistance you will contact me. My office number is (573) 751-1446, my e-mail address is david.day@house.mo.gov and you can find me on the web at www.StateRepDay.com.