



# 2010

# masw

# legislative update



January 21, 2010

## Governor Nixon Presents His Priorities For 2010

### *State of the State Address Caps First Year as Governor*

One year and eight days after taking the oath of office as Missouri's Governor, Jay Nixon delivered the annual State of the State address to a joint session of the legislature (and those watching and/or listening via various electronic media) yesterday (1/20).

Nixon opened with a reference to the icestorm that devastated southeast Missouri at this time last year. He said the people affected by the storm "came together in a crisis, because that's what the people of Missouri do. That's a powerful lesson for us here tonight: The worst of times brings out the best in us. And when the people of Missouri join hands and work together we can accomplish anything."

The Governor used this example of success despite terrible circumstances to issue his call to lawmakers: "Our mission is clear: We must keep the jobs we have, and create thousands more. We must build a granite foundation for Missouri's future growth. And we must balance the budget without raising taxes."

*Continued on page 2...*

### *Priorities of Nixon, MASW: A Comparison*

MASW has four policy priorities for 2010: Quality Healthcare; Decent Housing; Fair Treatment; and Shared Prosperity. Here is a look at what, if anything, Gov. Nixon had to say on these issues in his State of the State address.



**Quality Healthcare.** MASW calls for true healthcare for all, with expansion of Medicaid and CHIP. Nixon notes the "Caring for Missourians" initiative started last fall to increase enrollment in high-demand healthcare education and training programs, and his 2009 plan to partially restore Medicaid coverage to 35,000 people without using any state revenue. (MASW strongly backed that plan which, as the Governor noted in this speech, passed in the Senate last year. The House defeated it on a party line vote.) This year, Nixon says, "If [federal healthcare reform] legislation passes, it's our job to show steady, bipartisan leadership and maximize the benefits for the people of Missouri." This echoes MASW's support for "fully funded state implementation of national health-care reform."

**Decent Housing.** MASW calls for an increase in revenue for the Missouri Housing Trust Fund to support more affordable housing and emergency services for homeless people. Nixon did not mention the trust fund, nor mention the problem of homelessness, but he did tout the plan he and State Treasurer Clint Zweifel have rolled out to use \$15 million in MHDC funds to subsidize home purchases in 2010, and to promote energy efficiency upgrades in homes.

*Continued on page 3...*

## *Governor's Address, continued...*

Nixon summed up state government's response to the terrible economic downturn this way:

"By any measure, 2009 was a rough year. In one way or another, the downturn hit everybody's pocketbook.

"Missouri unemployment ran under the national average, but was still too high. A lot of friends and neighbors were out of work. Too many Missourians lost their homes, farms and businesses. Folks who hung onto their jobs saw their wages and benefits whittled away.

"The impact of those economic blows knocked the wind out of state government. Revenue fell a staggering \$778 million short of projections - the biggest one-year drop in Missouri history.

"So state government did what every Missouri family had to do: tighten our belts, stretch every dollar and rein in spending. We didn't bellyache about it; we just did it. We focused on our priorities, worked together, and made some real progress.

"Unlike 29 other states, we balanced the budget without raising taxes. How did Missouri do it?

"We made state government leaner. In one year, I will have reduced the state workforce by nearly 1,800 positions.

"We used technology to make government more efficient and effective. We cut costs by renegotiating contracts.

"I ordered state department heads to conserve energy, and we reduced our utility bill by six percent. I had to cut \$600 million out of the state budget, but did so without losing sight of priorities like education and public safety.

"And in terms of efficiencies, we're not finished yet. For years, state government has been creating boards and commissions for this centennial or that special interest. Some do good work, while others don't do much of anything. Nobody paid much attention to them, and they just kept growing and growing until they turned into bureaucratic kudzu.

"In an effort to root out government waste and inefficiency, I have already eliminated 13 of these boards and 227 positions.

"And I call on the legislature to haul out the brush hog, and get rid of 18 more boards and 246 more positions.

"Working together, we've been able to avoid the meltdowns we're now seeing in other states."

These remarks by the Governor, a Democrat, were well received by many Republican legislators, who hold the majority in both chambers of the legislature.

Organizations like Missourians for Tax Justice, the Missouri Budget Project, and MASW, question the Governor's commitment to solving our state's lack of revenue for vital services but continuing to lay off the workers who deliver those services, rather than raising taxes to pay for what we need.

## ***Nixon, MASW Priorities Comparison, Continued...***

**Fair Treatment.** MASW's priority statement says, in part, "All people in Missouri should be treated with dignity and fairness. It is a fundamental element of the common good to extend a helping hand to those who are too often made to feel unwelcome – those subjected to discrimination, those re-entering society from the corrections system, and those who were born in other nations."

Gov. Nixon did not mention any efforts to combat discrimination against people in minority groups, funding for the Missouri Commission on Human Rights, or anything related to that topic.

And even though his Department of Corrections Director, George Lombardi, is working in collaboration with other agencies to improve coordination of services to assist ex-offenders re-entering society, the Governor did not mention this issue.

**Shared Prosperity.** MASW believes that, "All people in Missouri should share in the prosperity of our society and pay their fair share of the cost of maintaining and enhancing the physical and human infrastructure that makes prosperity possible."

Like most elected officials, and probably most of the voters, in Missouri, the Governor repeated the myth that government budgets and household budgets are the same, and that in tough economic times both just "tighten their belts" and everything will be fine.

One of the points at which the myth falls apart upon analysis is the notion that a "no tax increase" approach by government is the equivalent of how "regular folks" manage their household budgets.

But what breadwinner in his or her right mind *ever* says, "Well, we don't have enough money to pay our bills, but I'll go ahead and starve before I would even think about asking the boss for a raise!"

Isn't one likely part of anyone's strategy to ask the boss for a raise? You might not get it, but if you desperately needed more money, of course you would ask the boss for a raise.

Well Missouri state government can only "get a raise" by, in fact, "asking the boss." That is, a tax increase of any size requires a public vote – government would literally ask its boss, the people of the state, for a raise.

## **MASW, Nixon on Same Page Regarding Pay Day Lending Reform**

At a legislative forum sponsored by MASW's Central Chapter, Rep. Mary Still confirmed that Missouri has the worst pay day loan problem of any of the 50 states.

Some states ban the practice altogether, and most others have restrictions on total interest and other charges, number of times a loan can be rolled over, number and location of pay day loan stores, and so on.

But not Missouri. Because of this situation, enactment of real reform of the pay day loan industry in our state is a top priority of MASW's Economic Justice Task Force.

And here we have harmonious convergence with Governor Nixon's priorities. Here is what he had to say on the issue in his State of the State address:

"In this tough economy, we've also got to protect vulnerable Missourians from a voracious predator: payday loan companies.

"Hard times are like fertilizer for payday lenders; they just pop up overnight, like mushrooms.

"For folks caught in a bad situation - maybe they lost their job, or the car broke down - payday loans may seem like the best option. But Missouri families shouldn't get fleeced.

"According to the most recent data, the average payday loan in Missouri was \$290 - at 430 percent interest.

"And even at those exorbitant rates, you know how many loans were reported? Close to three million.

"Missouri laws aren't tough enough to protect folks caught in this downward spiral of debt. We need to stand up for them, and pass meaningful payday loan reform this year."

MASW agrees completely.