



Legislative Update – May 26, 2010

Missouri has not been immune to the national economic downturn, and while the Show-Me State has weathered economic difficulties before, this year will be remembered as the perfect economic storm that brought about massive cuts to state government. In the midst of these cuts is the Division of Tourism, which next year will operate with 30 percent less money than it did this year.

Governor Nixon's recommendation for \$20.4 million in tourism spending for Fiscal Year 2011 appears to have been doomed before it was ever presented to legislators back in January. It was only a few short weeks after presenting the budget that the Governor's budget office began advising House and Senate appropriations leaders to make cuts to his original proposal. Several attempts to cut tourism funding in the House were beaten back by legislators who understand that tourism spending provides a trackable return on investment, and tourism seemed to fare better than other agencies when the House approved a budget of \$19.4 million—only \$1 million less than the Governor's initial recommendation.

That success was short-lived, though, as the budget process moved to the Senate in mid-March, where tourism allies in the Senate were few. By the time the budget left the Senate, Tourism had been cut to \$13.4 million. During Conference Committee meetings and on the Senate floor Senator Rob Mayer, who chaired the Senate Appropriations Committee, repeatedly told legislators that he had been assured that the Division of Tourism's Cooperative Marketing Fund would not be cut at this level, despite the fact that he was provided information showing the Cooperative Marketing Program could not escape a sizable cut at a \$14 million funding level. During the final Senate floor debate, Senator Frank Barnitz told fellow lawmakers that Mayer was wrong, but no one seemed inclined to listen, and the budget (with all cuts intact) passed with little discussion.

What happens now is up to the Tourism Commission, which must approve a budget that has not seen funding this low since 1998. Part of those discussions will center around the Tour of Missouri bike race, which is listed in the legislature's budget worksheet at a level of \$1 million. Questions have arisen over the last few weeks as to whether funding for the Tour of Missouri is mandated or discretionary.

Another unknown that will influence this budget discussion is the fact that leaders in both the House and Senate have said the budget may still not be balanced, and Governor Nixon's office this week said another \$350 million would be trimmed through line-item vetoes.

Ironically, one of the major budget issues that was discussed throughout the session—tax credit reform—was all but forgotten by the end of the session, with most tax credit programs remaining unchanged. In fact, with no extra money to spend, only 105 bills were passed during the recent session, the fewest number of bills to receive approval in a decade.

The final outcome of tourism-related legislation is available on the Missouri Travel Council website at <http://www.MissouriTravel.com/leg-update.htm>.

As the session ends this week, so do the terms of many veteran legislators who must step down due to term limits. This means that next year we will be dealing with one of the largest groups of freshman legislators in nearly a decade. Is that good or bad? We'll find out in January. Regardless, some legislators believe the state will have more than \$800,000 less in federal assistance next year, meaning the state's budget woes are not going to end any time soon.

Gary Figgins, Legislative Committee Chair - Missouri Travel Council
gfiggins@showmemissouri.net