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## **Education debate dominates Missouri budget discussions**

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JEFFERSON CITY - Lawmakers grappling with the tightest state budget in two decades learned Wednesday that even smoke and mirrors are in short supply.

As the House began debating the 2003 spending plan, members were under special rules requiring them to cut spending in one part of the budget before they could propose an increase elsewhere.

Lawmakers seeking to expand school programs next year quickly went for three pots of money: the state budget reserve, a contingency fund designed to meet unexpected costs and the state lottery's advertising budget.

Critics likened the first two sources to smoke-and-mirrors trickery because they involve money the state will need later. The third, critics said, was like slaying the goose that lays golden eggs.

Budget Committee Chairman Tim Green, a St. Louis County Democrat, told colleagues they could not continue to defer the day of reckoning by dipping further into the state's budget reserve or by taking money from the contingency fund.

"That's a good idea," Green said about funding for one program. "But we have to quit spending sooner or later."

Spending on public schools and higher education dominated the debate Wednesday. The House approved a \$4.66 billion budget for public schools, a 5.1 percent increase over the current year.

Basic state aid to public schools -- Gov. Bob Holden's top priority -- would grow from \$2.04 billion this year to \$2.216 billion, an increase of 8.6 percent.

The total included about \$23 million in new spending approved Wednesday as lawmakers expanded funding for special education and made small additions to the budgets for gifted programs and sheltered workshops.

Efforts to restore funding for student assessment tests and character education failed.

The largest change was a \$14.96 million increase in funding for special education programs. Rep. Charlie Shields, a St. Joseph Republican, proposed funding the increase by taking money from a \$50 million contingency fund.

Green said the Budget Committee had already reduced the reserve from \$90 million recommended by the governor. The money will be used to pay medical providers for treating Medicaid patients.

Because Medicaid is an entitlement program that serves anyone who qualifies, state planners won't know the actual spending on Medicaid until the end of the fiscal year, June 30, 2003. The cost is always higher than projected during budget debates. In the current year, for example, the state spent \$93 million more on Medicaid than planned.

Rep. May Scheve, a St. Louis County Democrat, compared Shields' proposal to a deferred-payment plan that charges the same price in 90 days as the price today. But the state is not any more likely to have the money a year from now than it does now, she said, and the situation would worsen if state revenue continues to weaken.

Shields argued that it was better than using the state's budget reserve -- in effect, spending beyond the state's means.

His amendment was approved, 107-25.

Rep. Jane Cunningham, a St. Louis County Republican, proposed taking \$5.1 million from the state lottery's advertising budget to replace part of the money cut last month from the Missouri Assessment Program.

The Budget Committee eliminated \$7.8 million that would pay for testing in social studies, science, health and physical education. Enough money remained to test only in mathematics and reading.

Cunningham's proposal would have allowed the state to pay for testing in social studies and science. The entire accountability portion of the state's school reform depended on MAP testing, she said.

Green opposed the change, saying other states that reduced advertising saw their lottery revenues decline. The \$8 million advertising budget helped produce \$185 million in lottery revenue for schools, he said.

Cunningham's proposal failed, 79-78, but the House approved another proposal to take \$1 million from the lottery ad budget. Programs for gifted students were increased by \$700,000, and funding for the Missouri Scholars and Fine Arts Academies was increased \$300,000.

The House also authorized spending \$7.1 million in federal funds that will become available under recently passed legislation to improve public schools.

Efforts to spend \$750,000 on character education were easily defeated. The legislature approved \$994,998 for character education last year, but the program was not renewed.