

The **Association** report

from the **Capitol**

March 7, 2008

Budgetary activity continues to be the focus of much attention as the '08 legislative session nears its annual spring break. An Association priority, increasing the state's contribution to the deferred compensation program, remains in the mix of appropriations decision items.

As of the end of this week's work, the House Budget Committee's "introduced bill," HB2005, proposes to raise the deferred comp contribution to \$35 a month. That's \$10 more than the current match.

As a brief recap of where we've been, the Association decided to mount a campaign to convince the state to fully fund the deferred compensation plan to its statutory maximum of \$75 a month. The program currently is funded at \$25 a month, the same level since its inception nearly 15 years ago.

Early in this legislative session, Rep. Ray Salva with the help of our Association, brought the issue to the attention of the House Appropriation Committee for General Administration. Several members of the committee agreed the benefit should be raised to its \$75 maximum. Citing budgetary constraints, however, the committee agreed a \$25 increase to \$50 would be as far as they could go this year.

This recommendation moves to the House Budget Committee where it faces further scrutiny and revision. Ultimately the Budget Committee will take its final version of the appropriations bills to the house floor for a vote before it goes on the senate. Historically the house tries to complete and send to the senate its version of the budget before the spring break. However, spring break falls earlier this year resulting in the house budget work being carried over to late March. The break this year is combined with the Easter break and runs from March 13th through March 24th.

While there are still hurdles to cross before any increase in the deferred comp benefit goes in the bank, considerable progress has been made. This is especially significant considering our project went into the committee's report ahead of some of the governor's recommendations.

The chair of the Appropriations Committee for General Administration, Rep. Jim Lembke, said he's willing to listen to a new idea when a good argument can be made for it. Apparently the Association was able to do that through its members' communications to legislators and written testimony to the committee from Association President, Mark O'Dowd.

I'll have more on the deferred comp issue in my next report after the spring break.

**From Harry Hill, Lobbyist
Missouri Highway and Transportation Employees' Association**