



## **Special Session Could Pit Perks for Major Company Against State Employees' Pensions**

Governor Nixon announced last week that he is considering calling a special legislative session to pass a bill that will offer the Ford Motor Company plant north of Kansas City \$15 million per year in tax incentives for 10 years to continue its operations there. The flip side of this plan, however, is that the state would "pay for" the \$150 million in tax incentives through significant cuts to pension benefits for state employees.

While \$150 million may be a small amount compared to the first quarter 2010 profits of \$2.1 billion recently announced by the Ford Motor Company, it is a major sum for Missouri's state employees who remain the lowest paid in the nation.

The majority of state employees who would be financing tax credits for Ford through their loss in retirement benefits earn salaries less than \$25,000 per year. Most state employees are psychiatric aides, developmental assistants, maintenance and custodial workers, clerks, or security officers. Diminishing their ability to save for retirement, especially during these difficult economic times, is bad not just for these workers and their families, but also for the future of our economy.

Additionally, this proposal comes at an increasingly difficult time for our state. While this spending increase for one company is considered, there is also the possibility of the Governor making cuts to the FY 2011 budget of nearly \$350 million. This would be in addition to at least \$650 million already cut from the budget for FY 2011, which begins next month, by the state legislature and Governor. These cuts include reduced funding for programs such as Parents as Teachers, inspection of child care centers, and the elimination of over 2,200 state employees.

Considering the expansion of tax incentives without a broader discussion of balanced solutions that include reforms to Missouri's outdated, loophole riddled tax code is irresponsible. Missouri cannot continue to balance its budget solely by cutting services and eliminating state workers. Our elected officials must show leadership and make balanced choices to assure we have the core services, infrastructure, and ready workforce that provide the foundation for a strong economy.