

In this issue:

1. **Positive action on Unemployment Insurance...**
2. **And on a moratorium on Medicaid regulations**
3. **Bad news for low income housing**
4. **What you need to know today about tomorrow's State budget!**

1. Positive action on Unemployment Insurance...

Good news! The House negotiators reached an agreement with the President on an emergency supplemental appropriations package, which, if enacted, will help low-income and unemployed individuals. Missouri's unemployment rate for May rose to 6 percent. Missouri has as estimated 62,000 individuals who have exhausted their unemployment compensation, or are about to do so. Extending eligibility for these benefits is a smart economic stimulus. And it is a much needed support for unemployed families as the costs of living escalate.

The President agreed to a temporary 13-week extension of unemployment benefits for those who have exhausted their benefits in all states. It also expanded education benefits for veterans. In exchange, there is a reduction in domestic spending and no tax increases. The package now goes back to the Senate, which we think will act on this next week. Some Senators have indicated that they want to add amendments. If this happens, action would not be completed until after the July 4 recess.

2. And on a moratorium on Medicaid regulations

The emergency supplemental appropriations package also includes moratoria on 6 of the 7 Medicaid regulations that have been discussed in previous updates. President Bush has consistently threatened to veto any package that contained moratoria on more than 4 of the regulations, but has agreed to this negotiated package. So even though it is a compromise, we can claim some success.

The regulation that does not have a moratorium in the package is related to hospital outpatient services. It significantly narrows the types of services that states can cover under this benefit category, restricting reimbursement rates for such services as hospital-based physician services, routine vision services, annual check-ups and vaccinations. If this regulation goes into effect, hospitals will likely curb these services at a time when demand is high among low income populations.

It is anticipated that some policymakers will pursue other avenues to delay implementation of the outpatient regulation.

Every Missouri Congressperson (with the exception of Congressman Hulshof, who did not vote) voted for the domestic spending portion of the supplemental appropriation. Thanks VERY much to all who have weighed in with members of the House and Senate on these important policy issues!

3. Bad news for low income housing

Another piece of legislation that is being discussed is the Federal Housing Finance Reform Act. Senator Bond introduced amendment #4986, which makes funding for the Housing Trust Fund voluntary rather than mandatory, effectively gutting the commitment to low income rental

housing. The Housing Trust Fund provides money to build and preserve affordable rental housing.

Please use this toll free number to call Senator Bond. 1.877.210.5351. Tell him: *It is critical that we increase our commitment to affordable rental housing for struggling low income families. Funding for the Housing Trust Fund must be mandatory.*

4. What you need to know today about tomorrow's State budget!

***The Missouri Budget Project, AARP and MASW are hosting a series of Budget Trainings for Missouri Advocates, Activists, and Friends.
Please see the attachment for a schedule of July trainings***

For more information regarding the issues in this update, please contact one of the MBP staff.

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