

In this issue:

Federal

The focus in Washington is the development of a budget resolution for the next fiscal year. The Missouri Budget Project will send out a separate update next week regarding this process and potential actions that need to be taken.

State

1. **Budget process moves forward: Deep cuts proposed in human services**
ACTION NEEDED
2. **HJR23, a TABOR-like constitutional amendment, is passed by the House**
3. **State General Revenue continues to fall**
4. **Events of interest**

The General Assembly began its spring break upon adjournment on Thursday. It will reconvene on Monday, March 23.

1. Budget process moves forward: Deep cuts proposed in human services

On Wednesday, March 11, the House Budget Committee marked up the budget bills in a marathon that began shortly after noon and ended at 10 PM. As the Missouri Budget Project reported last week, the bills introduced by Representative Icet, the Budget Committee chair, did not fund the Governor's significant priorities in health care, and also made deep cuts that will harm seniors, individuals with a disability, individuals with a mental illness or a substance abuse problem, abused and neglected children, and low income working parents.

During the mark-up, Committee members offered 107 amendments. Most were defeated. If a Committee member proposes to increase funding for a specific program or service, the Budget Chair's rules require a member to first identify a line item to decrease, and get Committee approval for that. Since there are a small number of programs that can realistically be decreased, several areas took big hits. For example, 26 amendments were proposed that used information technology in the Office of Administration as the source for their funding. Ten of these amendments passed, and Chair Icet said that he probably would have to revisit these cuts because they appear to be too deep.

This zero sum approach is a flawed process. It allows for no way to prioritize the importance of the proposed amendments. Amendments that are offered first have the best chance of passing, even though later amendments may address a much more pressing need.

The most frustrating aspect of the deep cuts is that they are not only cruel, but also unnecessary. The federal stimulus money was approved, in part, to prevent states from cutting services at a time when more individuals and families are vulnerable because of the economic downturn. The Budget Chair's refusal to use this money as intended will harm vulnerable Missourians, will create more unemployment in both the public and private sectors, and will harm the state's economy.

A summary of the changes made in the House Budget Committee during mark-up is attached.

What's next?

The House will take up the Budget bills on the floor when they return from spring break. New amendments, as well as many of those that were introduced during the mark-up, will be introduced at that time and voted on by the full House.

TIME FOR ACTION!

The House and Senate leadership need to hear that the proposed cuts are not acceptable.

Please contact the House and Senate leadership during their spring break.

Tell them:

The proposed cuts are cruel and unnecessary. Use the federal stimulus money as it was intended, and support vulnerable Missourians during these tough economic times. Restore cuts made to the health and mental health budgets, services to abused and neglected children and seniors. Fund the Governor's proposal to insure more children and low income parents.

Contact Information for Leadership:

Representative Richard, 573-751-2173, (home office) 417-623-0022, Ronald.Richard@house.mo.gov

Representative Icet, 573-751-1247, (home office) 636-519-0002, Allen.Icet@house.mo.gov

Representative Rick Stream, 573-751-4069 (home office) 314.822.0556, Rick.Stream@house.mo.gov

Senator Shields, 573- 751-9476, (home office – none listed) charlie_shields@senate.mo.gov

Senator Nadler, 573-751-2306, (home office) 417-781-6075, gary_nodler@senate.mo.gov

2. HJR23, a TABOR-like constitutional amendment, is passed by the House

HJR 23 passed the Missouri House on March 12th by a vote of 82-78. This is the closest the bill has come to being defeated in the House in the last several years.

The vote was primarily party-line with the republicans voting in support of TABOR and democrats voting against TABOR with a few exceptions: Republican Representatives Guest, Nance, Molendorp, Pollock, Wallace and Wright voted against TABOR and should be thanked for their votes. Democratic Representative Curt Dougherty voted for TABOR. Representatives Weter, Still and Nolte were absent.

If you have not spoken with your state lawmakers about the damaging impact of TABOR, please consider doing so over the Legislative Recess this next week while they are in district. Information about HJR23, and the harm it will do to Missourians, may be found on the Missouri Budget Project web site at www.mobudget.org.

3. State General Revenue Continues to Fall

Missouri General Revenue Collections, after refunds, decreased 10.4 percent in February, resulting in an overall decrease of 1.4 percent for the first eight months of State Fiscal Year 2009 (FY 2009) to date. The decline in State General Revenue (GR) over the last eight months, coupled with the generally weak economic situation, makes it clear that the state faces a very difficult budget situation now and in the foreseeable future. It seems clear that the state should focus on maximizing the financial assistance that has become available from the Federal government to avoid severe cutbacks in many vital areas of the state budget.

4. Events of interest

Poverty Summit

Hold the Date for the June 9, 2009 *Investing in People Poverty Summit*:

June 9, 2009: Registration begins at 9 am, Summit begins at 10 am

Capital Plaza Hotel, Jefferson City

More details available at: <http://www.communityaction.org/2009%20Poverty%20Summit.aspx>

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

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