



Updated March 24, 2009

House Budget Committee Approves *Severe Cuts to Health, Mental Health and Social Services for Vulnerable Missourians* Updated

The House Budget Committee passed the Committee Substitute Budget bills prior to the Legislative recess that began upon adjournment on March 12. While some restorations to critical funding needs were included in the bills, the substitute bills continue to include **severe cuts to services** funded through the Departments of Health & Senior Services, Mental Health and Social Services.

The Missouri Budget Project estimates that based on the proposed funding cuts, at least **77,120 Missourians will be directly impacted by the cuts. At a minimum, Missouri will forfeit \$232 million in critical federal funds which** could result in a loss of as many as **5,100 Missouri jobs. The proposed cuts are not only harmful for Missouri families, but unnecessary.**

As a result of the **Federal American Recovery and Reinvestment Act**, Missouri is expected to receive at least \$4.3 billion in increased federal funds over the next two years. A portion of this funding, \$1.6 billion is a direct result of enhanced federal matching rates for Medicaid. In addition, the state will receive \$167 million in Fiscal Stabilization funding. The funds have been provided to states to prevent cuts to critical services during an economic downturn when larger numbers of people are vulnerable, and to maintain and create jobs that will stimulate the economy.

Examples of some of the most severe proposed cuts:

Medicaid for Low Income Parents: The Governor's Budget recommended using **\$14 million in state General Revenue funding, and \$37 million in Hospital FRA funding to draw down \$91.7 million in federal funds to restore eligibility for Medicaid** for Low Income Parents. The current eligibility level for low income parents is just 17-20 percent of the Federal Poverty level (FPL), or \$292 per month for a family of three. The Governor's budget recommended increasing eligibility to 50 percent of the FPL or an income of approximately \$763 per month for a family of three. The increase in eligibility would benefit an estimated **34,000 very low income parents. In the last two weeks, the Hospital Association has offered to increase the amount of FRA funds in order to increase eligibility for Medicaid at no cost to state general revenue. This was NOT included in the House Budget Bills.**

Children's Health Insurance: The Governor's Budget Request also recommended using **\$22.7 million in state general revenue and \$474,000 other funding to draw down \$58.5 million in federal funds for children's health care.** The funding would support the health care needs of an estimated **27,000 children** by eliminating premiums for children in families between 150 – 225 percent of the FPL, and reducing premiums for children in families with incomes from 226 – 300 percent of the FPL. In addition, a portion of the funding would be utilized to conduct outreach to enroll children who are currently eligible for Medicaid or CHIP but who remain uninsured. **This was NOT included in the House Budget Bills.**

Child Care for Low Income Families: The Governor recommended using **\$3.5 million in state general revenue to maintain** current income eligibility for child care for low income families. **This was NOT included in the House Budget Bills.** Currently, Missouri provides subsidized child care to families earning up to 127 percent of the FPL, or \$1,937 per month for a family of three. Families are also eligible for transitional child care assistance up to 139 percent of the FPL. The reduction in funding would result in eligibility levels being decreased to just 123 percent FPL and transitional assistance decreased to 135 percent FPL.

Services for Abused and Neglected Children: The House Budget Committee proposal would reduce funding for **Children’s Treatment Services by nearly \$1.5 million and additionally reduce funding for the Children’s Program Pool by an added \$1.4 million.** Children’s Treatment Services funds currently support private social services agencies to conduct therapy and other supportive services with abused children and their families, conduct crisis intervention and in some cases provide residential treatment for abused children. Primary goals for CTS are to ensure the safety and protection of children in Missouri and to keep families intact, rather than placing children in foster care. **Currently Missouri has 9,000 children in foster care.**

Clothing and Diapers for Foster Children: The Governor recommended utilizing **\$1.3 million in general revenue funding and \$329,000 in federal funding** to increase the clothing and diaper allowance for foster families. **This was NOT included in the House Budget Bills** Currently foster families, who are currently caring for children who are wards of the state, are given a clothing allowance equal to just 35 percent of the USDA (US Department of Agriculture) standard for foster children. The Governor’s budget had recommended increasing this rate to 65 percent of the USDA Standard. In addition, foster families are given an allowance for diapers for children only until the child reaches age 2. The increased funding would increase the age for the diaper allowance to 3 years.

Mental Health Services Proposed Cuts: Overall, the House Budget Committee cut funding for Mental Health services by **\$47.8 million in general revenue as compared to the Governor’s request**, resulting in the loss of **at least \$22 million in federal funding.**¹ **A minimum of 7,120 Missouri children and adults with severe mental illness, developmental disabilities, and addictions would lose services. In addition, a minimum of 200 jobs at community mental health providers could be lost.**²

Funding for Area Agencies on Aging: The House Budget committee cut **\$2 million in funding for Area Agencies on Aging as compared to the Governor’s request.** The cut will impact comprehensive services for seniors including transportation, home delivered meals, health promotion, care coordination and other services.

How to Make a Difference on the Budget Debate:

Contact House and Senate Leadership and tell them to make funding these critical services for Missourians a priority.

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

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

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

Senator Shields, 573- 751-9476 office, charlie_shields@senate.mo.gov

Senator Nodler, 573-751-2306 office, home: 417-781-6075, gary_nodler@senate.mo.gov

TELL THEM: The federal economic recovery funding was given to states to do two things: prevent states from cutting critical services during an economic downturn when larger numbers of people are vulnerable; and to maintain and create jobs that will stimulate the economy. The House Budget Committee’s actions are unwise not only because they harm already vulnerable Missourians, but also because they harm the state’s economy by cutting jobs in the public and private sectors. The House must maximize the advantage of the federal funding and restore funding for these critical services.

For more information contact:

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A detailed summary of the House Budget Bills is available on the Missouri Budget Project website at: www.mobudget.org.

¹ IBID # 1

²Department of Mental Health “Meeting with Senate Staff Regarding Impact of Proposed House Budget Committee Funding Cuts”, March 19, 2009