

## Missouri Budget Project Email Update

February 19, 2009

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**I. The Impact of the American Recovery and Reinvestment Act of 2009 on Missouri** The following is a summary of the major components and the funding that Missouri is expected to receive from the recently passed American Recovery Act. **These are preliminary estimates.** The MBP is working to prepare a more comprehensive report.

#### *Protecting and Improving State Services*

- ⊕ Health Care: Temporary Increase in the Federal Matching Rate for Medicaid resulting in \$1.6 Billion over 27 months;
- ⊕ Highway Infrastructure: \$637 Million, funding more than 34 projects;
- ⊕ Public Transit Funding: \$85 million;
- ⊕ Flexible State Fiscal Stabilization Funds: \$167.6 million

#### *Education Funding*

- ⊕ Title 1: \$201million;
- ⊕ IDEA: \$236 million;
- ⊕ K-12 and Higher Education Funding: \$753.2 million (the majority of which goes directly to local school districts)
- ⊕ CCDBG: \$38.68 for Child Care services and quality improvement

#### *Helping Missourians who are most Impacted by the Recession*

- ⊕ Unemployment Insurance: Increases benefits by \$25 per week and expands the extended unemployment benefits for 325,000 Missourians
- ⊕ Emergency Shelter: \$27.5 million to fund housing stabilization, relocation, rental assistance to help 7,000 Missouri families who relocate due to foreclosure.
- ⊕ SNAP (Food Stamps): \$562 million to provide a 13.6 percent increase in maximum food stamp benefit beginning April 2009, benefiting 964,000 Missourians
- ⊕ Making Work Pay Credit: \$400 per worker, for 2 million Missourians
- ⊕ Child Tax Credit: Extends the Child Tax Credit to families earning at least \$3,000 per year. 285,000 Missouri children in very low income households are expected to benefit.

**II. TABOR Update:** The House Budget Committee passed HJR 23, a TABOR-like bill, out of committee this week. HJR 23 would create an additional, constitutional revenue/spending lid in Missouri that would permanently tie Missouri to the current fiscal crisis and deteriorate Missouri's ability to fund basic services. **Please contact your state Legislators and ask that they oppose HJR 23.**

### **III. Support a Missouri State Earned Income Tax Credit: Hearing Thursday 2/26, 8:30 a.m. Senate Committee Room 1 (1<sup>st</sup> Floor of Capitol Building)**

In this time of economic turmoil, one of the most effective steps state lawmakers can take to stimulate Missouri's economy is to create a State Earned Income Tax Credit (EITC). **A State EITC would benefit more than 440,000 Missouri families and is also proven to be a valuable economic stimulus.**

**Two bills have been introduced to create a Missouri EITC including Senate Bill 105, sponsored by Senator Justus and Senate Bill 138, sponsored by Senator Smith. SB 105 will have a hearing next week,** Both Senators are working to present amendments to additional bills as well. Please contact members of the committee listed below *and your state legislators* in support of the state EITC. More detail on the benefits of a Missouri EITC are available at: <http://www.mobudget.org/>

**Please Join us if possible for the hearing and testify in support of the EITC:**

Hearing on 2/26 at 8:30 AM, Senate Committee Room # 1 for [SB 105](#), Committee Members: **Senate Government Accountability & Fiscal Oversight Committee**

Chuck Purgason, Chairman (573) 751-1882

Jim Lembke, Vice Chair (573) 751-2315

Brad Lager (573) 751-1415

Kurt Schaefer (573) 751-3931

Bill Stouffer (573) 751-1507

Rita Heard Days (573) 751-4106

Wes Shoemyer (573) 751-7852

**IV. Child Care Funding: Hearing Wednesday 2/25 3 pm Senate Lounge**

**The Senate Education Committee will hear SB 94, sponsored by Senator Justus, on 2/25 at 3 pm in the Senate Lounge.** The bill would increase income eligibility for child care assistance from 127% of the federal poverty level (FPL) to 140% and provide an additional sliding scale subsidy up to 185% of FPL (currently 139% of the FPL). Committee members include:

Rob Mayer, 25th, Chairman (573) 751-3859

David Pearce, 31st, Vice-Chairman (573) 751-2272

Norma Champion, 30th (573) 751-2583

Gary Nodler, 32nd (573) 751-2306

Scott Rupp, 2nd (573) 751-1282

Kurt Schaefer, 19th (573) 751-3931

Frank Barnitz, 16th (573) 751-2108

Rita Heard Days, 14th (573) 751-4106

Yvonne Wilson, 9th (573) 751-9758

**V. Health Care Funding**

Now that the American Recovery Act has passed, the Appropriations Committees of the Missouri Legislature will begin to dig into their budgets. **It is the perfect time to talk with members of the committee and urge them to make Health Care a priority.** Governor Nixon recommended increasing Medicaid Eligibility to **50 percent of the federal poverty level** for low income parents. **Please ask Committee members to increase eligibility to 100 percent of the poverty level. All Missourians living in poverty should have access to health care. The next house appropriations committee meeting is Monday 2/23 at 1 pm in House Hearing Room 6, committee members include:**

David Sater, Chair 573-751-1480

Ray Wetter, Vice-Chair 573-751-2565

Bert Atkins 573-751-9760

Wayne Cooper 573-751-1119

Shalonn Curls 573-751-3158

Jeff Grisamore 573-751-1456

Tishaura Jones 573-751-6800

Jeanne Kirkton 573-751-1285  
Rebecca McClanahan 573-751-4042  
Robert Schaaf 573-751-2183  
Rodney Schad 573-751-2077  
Anne Zerr 573-751-3717

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

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