

## Missouri Budget Project Email Update

April 19, 2009

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### I. Senate Appropriations Bills Pass

The Senate passed its version of the Fiscal Year 2010 Appropriations bills last week. The House and Senate have each passed separate versions of the Fiscal Year 2010 Appropriations Bills. The Senate version of the budget largely utilizes Federal Economic Recovery/Budget Stabilization funding to restore cuts that had been proposed by the House version of the bills. The bills will go to a Conference Committee in the coming weeks to resolve the differences.

*A Summary of some of the most significant conference items is attached to this email.*

### II. New House “Special” Appropriations Bills Include SOME items left out of Senate Bills (Hearing Monday 4/20 at 10 am in House Committee Room 3)

In addition, House Budget Chair Allen Ictet has introduced several unique appropriations bills this year that utilize a portion of the Federal Economic Recovery/Budget Stabilization funding. These bills, House Bills 18-21 include funding for some items that were not included in the House FY 2010 Appropriations Bills, but that were funded in the Senate FY 2010 Appropriations Bills. In addition, Representative Ictet does fund some significant items within HB 18 – 21 that were left out of both the Senate and House versions of the FY 2010 Appropriations Bills.

Although it isn't clear how the distinctions between the “normal” appropriations bills and “unique” appropriations bills will be reconciled, the Missouri Budget Project assumes that Conference Committee members will take these “unique” bills into account when finalizing the FY 2010 Appropriations bills and vice versa.

### III. Senate Passes Senate Bill 306: “Show-Me Health” Plan and Schedules Hearings for Other Health Care Bills

The Senate Passed **SB 306** on Thursday April 16<sup>th</sup>. The Missouri Budget Project appreciates Senator Dempsey's work on the issue of health care coverage. However, the MBP continues to have significant concerns about SB 306 including a component that applies a Time Limit to Medicaid coverage for very low income Missourians (those with incomes between 17 – 50 percent of the federal poverty level).

In addition, the Senate has scheduled a hearing for **Senate Bill 546**. Sponsored by Senator Schmitt, SB 546 would increase the earnings disregard for the Ticket to Work health care program. The change will make it easier for people with disabilities to access needed health care services. *The Hearing is scheduled for Tuesday, 4/21 at 815 am in Senate Committee Room 1.*

### IV. House Passes HJR 36: TABOR in Disguise?

The House passed HJR 36 on Thursday, April 16<sup>th</sup>. The bill proposes a constitutional amendment that would eliminate Missouri's corporate and individual income taxes and replace it with a greatly expanded sales tax. The Missouri Budget Project opposes HJR 36 because of the variety of negative ramifications including the following:

- In order to replace the lost revenue from eliminating the corporate and individual income tax, **HJR 36 would expand sales taxes to cover services.** Some examples of "services" that would be subject to the new sales tax include nursing facilities and health care, rent, utilities, and funeral services.
- The bill also proposes to increase the amount of state sales tax from 3 percent to 5.11 percent. However, to remain revenue neutral the Missouri Budget Project estimates that the sales tax would need to be increased more dramatically, perhaps nearing 10 percent. If the sales tax does not increase dramatically, **the loss of revenue for state services would be dramatic: at least \$3 billion per year.**
- Although HJR 36 includes rebates for taxpayers to partially offset the sales tax for low income families, the bill still creates a disproportionate burden on low income families and makes it much more difficult for families to access the basic services they need.

#### ***V. New Reports on Website***

Don't miss the new reports on the MBP website including the following:

**Of Missouri's nearly 730,000 uninsured, over 20 percent are children.** Click [here](#) to read a report on recommendations for improving and increasing enrollment in MO HealthNet for Kids (If the link does not work, visit the MBP website at [www.mobudget.org](http://www.mobudget.org) to access the report)

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

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