



Shaping Policy...
Creating Opportunities

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IN GOVERNOR'S BUDGET, MISSOURIANS NEED SOLUTIONS, INVESTMENT IN SERVICES

St. Louis, MO – When Governor Nixon delivers his State of the State speech this evening, he will be addressing many Missouri families who are facing significantly increasing struggles during the current economic recession. Unemployment in Missouri reached 7.3 percent last year, and the number of Missourians living in poverty increased to 742,000 people in 2007, a 12 percent increase over the 2006 level of 659,000. The number of Missourians accessing food stamps has doubled since 2000, and was up to 899,322 in June of 2008.

The policy and budget proposals Governor Nixon offers for the year can have a considerable impact on the continued affect this recession will have on the State of Missouri and the families who live here. Additionally, the Economic Recovery Package currently being considered by the U.S. Congress includes several key components to help stimulate the economy and protect state services from severe cuts resulting from budget shortfalls. (*Click [here](#) to learn more about the specific proposals in the package that could have a positive impact on Missouri's current budget situation.*)

“At this time of increased need it is extremely essential for our state to invest in services that not only help our families, but also stimulate economic growth as well,” said Amy Blouin, Executive Director of the Missouri Budget Project.

Economic Downturn Not Only Cause of State's Budget Shortfall

"The challenges that Governor Nixon and the General Assembly face in balancing this year's budget are exacerbated by the failing economy, but the root cause is a structural deficit in our state's budget," Blouin said. "For years, Missouri simply has not collected sufficient revenue to provide the critical services residents rely on. Our higher education, health care and transportation sectors are still recovering from cuts made by previous administrations. We simply cannot afford to cut funding for these services in the budget each year and still maintain the same quality of life for Missourians."

State Policy Changes, Federal Funds Can Have Significant Impact

“As more people across the state are losing access to insurance due to loss of jobs or employers who can no longer afford the cost of providing coverage to their employees, we must develop health care solutions that work for all Missourians,” said Ruth Ehresman, Director of Health & Budgetary Policy for the Missouri Budget Project.

“The Missouri Budget Project urges the Governor and our Legislative Leaders to expand health care access to all Missourians living in poverty, including those who are temporarily uninsured due to the economic crisis. State funds invested in health coverage for Missourians go back into Missouri’s health care industry, and help to insure a more productive work force.”

"The federal economic recovery plan, along with the reauthorization of the State Children’s Health Insurance Program, will provide an opportunity for Missouri to expand health care for uninsured Missourians. Missouri should take full advantage of these opportunities," Ehresman continued.

Other proposals the Governor and State Legislators can consider to positively impact Missouri’s economy and budget include implementing a [State Earned Income Tax Credit](#), decoupling from the [Federal “bonus depreciation”](#), and modernizing and [streamlining the state sales tax](#). (*Click on the name of each proposal to learn more about how it will positively affect Missouri’s budget*).

Analysts Available for Comment on State of State Speech, Release of New Budget

Following the State of the State address this evening, Missouri Budget Project Analysts will be available for interviews on Governor Nixon’s speech, policy recommendations and proposed budget.

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The Mission of the Missouri Budget Project is: To advance public policies that improve economic opportunities for all Missourians – particularly low and middle-income families – by providing reliable and objective research, public education and advocacy. More information is available at www.mobudget.org.