



Shaping Policy...
Creating Opportunities

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MISSOURI BUDGET PROJECT STATEMENT IN RESPONSE TO STATE OF STATE ADDRESS

Below is a statement regarding Governor Nixon's State of the State Address and proposed budget from Missouri Budget Project Executive Director Amy Blouin:

St. Louis – “We are optimistic about many of the directions outlined by Governor Nixon. The Governor is moving Missouri in the right direction on some policies, particularly investments in health care for the uninsured and funding for education. However, Missouri still faces an ongoing structural deficit that needs to be addressed so that these tough decisions on which state services must be cut do not need to be made every year.

Health Care Proposals:

“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. The Missouri Budget Project is pleased that the Governor has made expanding access to health care for Missourians with very low incomes a priority.

“Restoring access to Medicaid for families with incomes under 50 percent of the poverty level is a good first step and a critical investment for Missouri’s future. Additional funding for outreach to enroll children who are currently eligible for Medicaid or SCHIP is also a critical investment for our state.

“We look forward to working with the Governor and legislative leaders to ensure that Health Care is a priority in 2009.

“In addition, the Missouri Budget Project urges state leaders to expand access to Medicaid to those who are temporarily unemployed due to the recession. The Federal Economic Recovery proposal currently before Congress is likely to include provisions to support states in meeting the health care needs of the unemployed.

Job Creation and Assistance for Working Families:

“Unemployment in Missouri reached 7.3 percent last December, 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. Missouri should take all available policy steps to assist the families who have been hardest hit by the economic crisis.

“Our state should focus on policies that stimulate economic growth, including creating a State Earned Income Tax Credit (EITC) and expanding access to Child Care Assistance. More than 440,000 Missouri families could be assisted by a state EITC that rewards work and gives a proven economic boost to

local economies. Investing in adequate funding for Child Care, K-12 Education, Higher Education and Training are the backbone to create a well qualified workforce for the future.

Budget Sustainability:

“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 of our ongoing shortfall is a structural deficit in our state’s budget. Missouri simply has not collected sufficient revenue to provide the critical services residents rely on.

“The Missouri Budget Project looks forward to working with the Governor and legislative leaders to enact proposals that positively impact Missouri’s economy and budget including decoupling from Federal “bonus depreciation”, and modernizing and streamlining the state sales tax.”

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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.