

MBP



MISSOURI BUDGET PROJECT



All Missourians want the best for our families. A bright future for our children, security for our seniors, and an economic environment where working hard means you can get ahead. But this environment doesn't just happen. **For our state to be a place where Missouri families, small businesses, and a strong middle-class can thrive, and where everyone has the best possible chance at a brighter tomorrow, we need to invest in Missourians, and invest in the services that provide the foundation for all to succeed.**

With your support, the Missouri Budget Project (MBP) works hard every day to make that vision a reality by advancing public policies that improve the lives of Missourians.

Because facts matter, we inform the public debate on policies through objective research and analyses.

Because public engagement drives change, we take that research into the community. Through collaboration with civic and business leaders across the state, and conversations with thousands of Missourians that reflect the diversity of our great state, we promote awareness of and involvement in critical policy issues, creating impact.





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MOBudget



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FROM OUR EXECUTIVE DIRECTOR

I'm often asked why we focus our work on state budget and tax policy issues. The answer is simple. It's about people.

Every number in the budget represents an investment in our children, our parents and grandparents, and our neighbors.

We're passionate about the budget because it impacts all of us each day, in very real ways. Through investments in public services, like education, public health and safety, and transportation, we build a foundation upon which families, communities and our economy can thrive.

To us, the state budget is about a child from a low-wage family accessing safe, quality early education through Missouri's child care assistance program, which will help ensure that she enters school ready to learn. Or a grandparent who, because of the circuit breaker property tax credit, is able to remain living independently in their own home. The budget represents a neighbor who is able to access critical behavioral health care and medication through Missouri's Medicaid program, which help keep her mental illness under control and allow her to work and care for her family.

This is why we do our work. So that the people of this great state – our kids, our parents, grandparents, neighbors, friends and colleagues – have the best possible chance of succeeding in life.

We are deeply grateful for all you do to support our work to advance this vision.



Amy L. Blouin

Amy L. Blouin
Executive Director

HOW YOU CAN HELP BUILD A STRONGER MISSOURI

You can help ensure that all Missourians have the best possible chance at a brighter tomorrow by supporting the Missouri Budget Project today.

The Missouri Budget Project works to improve the quality of life for all Missourians by informing public policy decisions through objective research and analysis of state budget, tax, and economic issues.

Our ability to keep our nonpartisan information in the public arena and promote informed, responsible public decisionmaking depends on the support we receive from individual supporters like you.

You can support the Missouri Budget Project several ways:

- Make a secure online donation at our website www.mobudget.org/donate
- Mail a check to our office address listed on the opposite page
- Host a friend- or fundraiser by contacting Amy Blouin, Executive Director of the Missouri Budget Project.

The Missouri Budget Project is a 501(c)(3) nonprofit organization, and all contributions are fully tax deductible.

WHAT WE DO

The MBP advances public policies that benefit all Missourians by:

- Providing unique, objective, timely and rigorous analysis of policy issues;
- Educating and engaging community members in policy advocacy through strategic communications and outreach, and
- Fostering the development of critical issue coalitions that help lawmakers across the state understand the impact of the choices they make.



Why I Support the Missouri Budget Project

Erin Brower

State & Local Government Affairs Manager, Hallmark Cards

“MBP is an invaluable resource to policymakers and organizations throughout the state. Their analyses put complicated budget and tax issues in meaningful and simple terms, explaining how the issues impact Missourians. The information they provide is critical in this state.”

POLICY IMPACT

DEFENDING HEALTH SERVICES

In response to ongoing threats to the health care safety net, the MBP worked with partners to form the Missouri Health Partnership, a coalition of hundreds of organizations from across the state dedicated to protecting the health care safety net.

By facilitating the coordination of health advocacy activities, in 2017 the **MBP and its partners were able to prevent the passage of SB 28, a bill that would have resulted in steep cuts to Medicaid services for Missouri's kids, seniors, and people with disabilities who rely on Medicaid for health care.**



BUILDING THE MIDDLE CLASS

In 2016, MBP secured broad bipartisan support of a Missouri Earned Income Tax Credit (EITC).

Based on the success of the federal credit, the EITC would give a much needed boost to more than 500,000 hardworking Missouri families who are struggling to get by on low wages.

The measure passed the Missouri House by a vote of 115-35 in 2016, and maintains momentum moving into the 2018 legislative session.

PROTECTING SENIORS

State lawmakers continue to struggle to balance Missouri's budget due to tax cuts made in prior years.

This year, facing a shortfall, lawmakers considered eliminating a property tax credit for low-income seniors and people with disabilities who rent their homes - eliminating eligibility for 100,000 Missourians who use the modest credit to purchase essentials. Funding for the credit was pitted against funding for home- and community-based services and nursing home care for 8,000 seniors and people with disabilities, as well as services through the Area Agencies on Aging.

MBP worked with partner organizations and state lawmakers to build broad, bipartisan support for alternative revenue options that would protect funding for health care services for 8,000 Missourians while simultaneously protecting the circuit breaker tax credit for 100,000.

Lawmakers agreed that pitting health services against the tax credit that also helps seniors was a false choice, and quickly passed the revenue alternative by large margins. Unfortunately, the Governor vetoed the bill, leaving funding for critical health care services in jeopardy.



HOW MBP CREATES POLICY CHANGE

Everyday Missourians don't have lobbyists in Jefferson City to watch out for the interests of their families and communities. So MBP works to create policy changes that benefit all Missourians by engaging communities across the state in budget & tax policy issues.

Through a multi-faceted approach, MBP:

- Produces unique, objective, timely and rigorous analysis of policy issues;
- Conducts strategic communications and outreach to educate and engage community members in policy advocacy;
- Leads critical issue coalitions to help lawmakers understand the impact of the choices they make; and
- Engages directly with lawmakers.

OUR WORK IN 2016 - 2017

Research & Analysis:

MBP produced 27 analyses examining an array of critical issues facing Missouri, including:

- A series of “budget primers” to help advocates of public services better understand the state budget and how to advocate for budget priorities
- Fiscal analyses of the implications of state and federal proposals to cut Medicaid
- The impact of state budget and tax policy proposals on public services
- An overview of Missouri’s Medicaid program.



Outreach & Communications:

MBP amplifies the distribution of its work by communicating with stakeholders across the state.



MBP presented at 119 community forums in the last two years, reaching nearly every corner of the state.

MBP's media outreach resulted in almost 1,900 TV, print, or radio stories across the state that highlighted critical policy issues, and social media reached tens of thousands more.



Creating a Powerful Voice Through Strong Coalitions:

Medicaid is a vital part of Missouri's health care system, providing health coverage to 990,000 children, pregnant women, seniors, and people with disabilities. MBP's leadership in the Missouri Health Partnership strengthens the efforts of health advocates statewide by creating and sharing the tools partners need to engage in state and federal advocacy efforts.



Given Missouri's budget challenges, proposals to cut Medicaid are sure to continue into 2018, making MBP's work with the Missouri Health Partnership all the more critical.

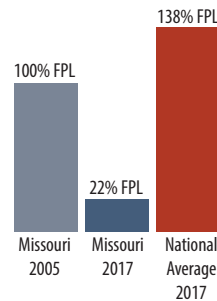
INVEST IN MISSOURI

Diminished Services for Missourians

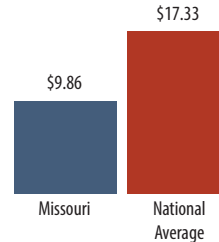
A series of tax cuts has left our state unable to fund the very public services that families, communities, and our state's economy need to thrive.

From education to public health & safety or child welfare, Missouri has been cutting – and falling further and further behind other states.

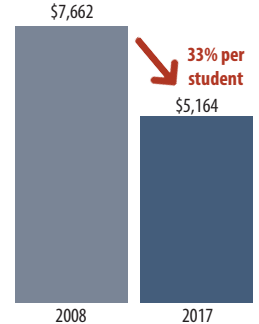
Medicaid Eligibility for Parents



Foster Care Reimbursement Rates Well Below Cost of Caring for a Child



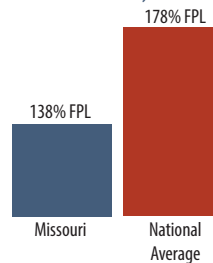
Higher Education Cut \$74 Million
Investment Per Student Declines 1/3



MO Rx:
64,728 Missouri seniors & people with disabilities **CUT**



Eligibility for Full Child Care Assistance Ends Well Below National Average Eligibility of 178% FPL
Eligibility Remains Below All Neighbor States Except Kentucky

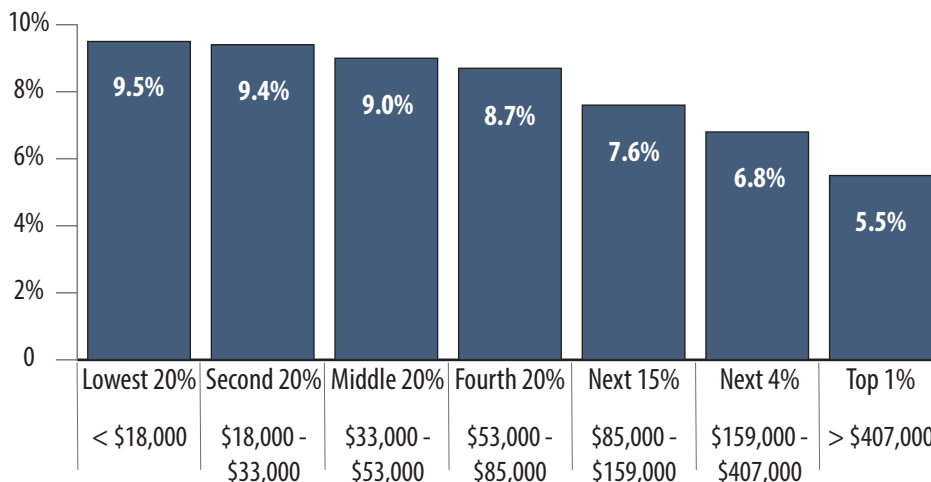


Home & Community-Based Services CUTS to 8,000 Missourians



What's more, these tax cuts have also made Missouri's tax structure less fair, with families living in poverty paying a larger portion of their income in state and local tax compared to wealthy families. This structure will become even more regressive as additional income tax cuts are phased in beginning in 2018.

State & Local Taxes as a Share of Family Income
Non-Elderly Taxpayers, 2015



POLICY SOLUTIONS

INCREASE FAIRNESS IN OUR TAX STRUCTURE & CLOSE LOOPHOLES

Policies supported by the MBP have growing bipartisan support and include:

Creating a State Earned Income Tax Credit (EITC)

A Missouri EITC would give a much needed boost to more than 500,000 hardworking Missouri families struggling to get by on low wages. It would also help address the regressive nature of Missouri's tax structure, where low-income workers now pay more of their income in state and local taxes than the highest earning Missourians.



A Missouri EITC would help build on the success of the federal credit, which has been proven to improve the long-term economic, educational, and health outcomes of families who receive it.



Enacting the Marketplace Fairness Act

A sale is a sale, whether an item is purchased at the store down the block or on your computer or phone. And while taxes may be due on that sale, they go uncollected because of loopholes in the existing collections mechanism - putting local bricks & mortar stores at a disadvantage.



The Marketplace Fairness Act would level the playing field. Twenty-four other states, including most of Missouri's neighbors, have passed similar legislation and have captured much needed revenue for education and other public services. Currently Missouri is forgoing an estimated \$358 million each year in state and local sales taxes.

Reforming the Timely Filing Discount

Missouri's tax code is filled with outdated tax giveaways, including one that allows retailers to keep some of the taxes customers pay, simply for remitting those taxes on time.



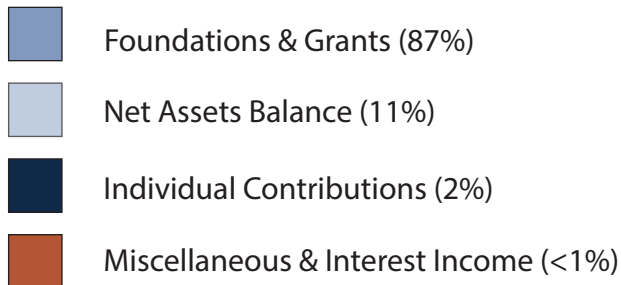
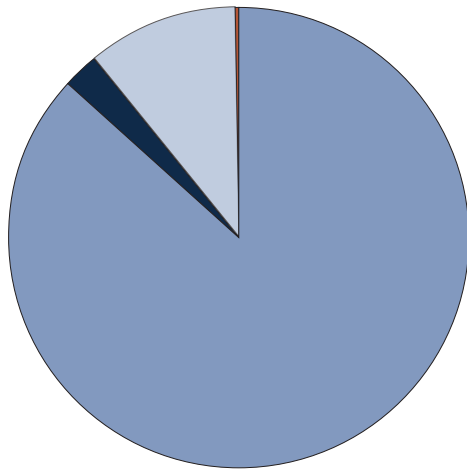
The timely filing "discount" allows retailers to keep 2% of the sales taxes they collect as payment for capturing those taxes. It was established at a time when store clerks had to manually calculate and remit sales taxes to state and local entities. But, technology has made the process of collecting and remitting sales tax much easier, minimizing costs for retailers.



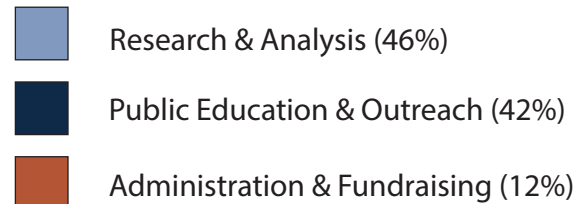
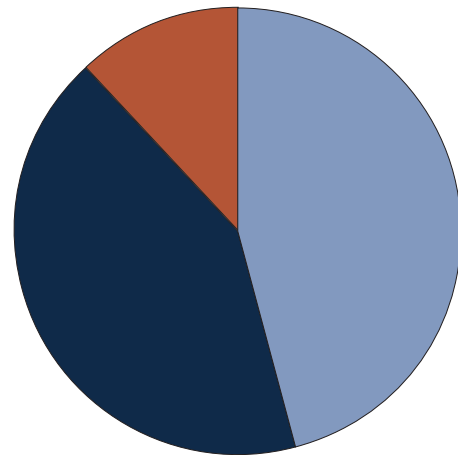
While most states have eliminated or reduced their timely filing discounts, Missouri has not. The state now has the second most generous discount in the nation, which cost \$114 million in 2016. Updating this discount to make it comparable with what other states provide not only makes sense, it would allow us to direct those tax dollars to much needed services.

MISSOURI BUDGET PROJECT FUNDING

2016 Income (Audited): \$722,948



2016 Expenses (Audited): \$488,697



FOUNDATIONS

The Missouri Budget Project thanks the many individuals, organizations, and foundations that generously support our work. We enjoy major support from the following foundations:

Annie E. Casey Foundation
Deaconess Foundation
Ford Foundation
Francis Family Foundation
Health Care Foundation of Greater Kansas City
Incarnate Word Foundation
Joseph H. and Florence A. Roblee Foundation
Missouri Foundation for Health
REACH Healthcare Foundation
The Early Education Funders Collaborative - Kansas City