

PROGRESS

Missouri Budget Project | mobudget.org | Spring 2016

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EITC - Earned Income Tax Credit

With your support, MBP has long defended Missouri taxpayers from tax schemes that would cut resources from public investments like schools and infrastructure and shift responsibility to working families. Now, you can help MBP - and working families - go on the offense. Your investment in MBP will advance a strategic initiative to create a state Earned Income Tax Credit (EITC) in Missouri, giving a much needed boost to hardworking Missouri families struggling to get by on modest wages.

A state EITC would pave the way for hundreds of thousands of Missourians striving to be in or stay in the middle class. It would:

- Improve the health, education, and economic well-being of Missouri families;
- Increase long-term educational outcomes and earnings; and
- Boost local economies around the state.

For more information about the EITC and how MBP is working to get one passed in Missouri, visit: www.mobudget.org/eitc.

A STATE EITC WOULD Benefit Hundreds of Thousands of Missourians

1.3 MILLION Missourians would benefit including:



40,000 veterans and military families



337,000 working moms



180,000 working dads



155,000 families in rural areas



Boost local economies



Increase work and earnings when kids reach adulthood



Better educational outcomes



Improve infant and maternal health



Reward work and help families strive for the middle class

*The numbers are based on the number of Missourians who claim the Federal EITC



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FROM THE EXECUTIVE DIRECTOR

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.

With your support, every day the Missouri Budget Project (MBP) works for that vision to become reality. Together with you, we've worked to advance public policies that improve the lives of Missourians.

Because facts matter, we've informed the debate through objective research and analysis.

Because public engagement drives change, we've taken that research into the community. Through collaboration with civic and business leaders statewide 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.

This year, the Missouri Budget Project has continued that work, prioritizing policies that will invest in all Missourians – our state's greatest resource. By promoting policies that will enhance Missouri's critical investments in the education and health of our residents, and those that support an economic environment that paves the way to the middle class and strengthens our work force, the Missouri Budget Project is working with legislators and communities across the state to improve the future for all Missourians.

This newsletter provides updates on some of the issues we are currently working on, all of which provide proactive policy solutions to address Missouri's challenges.

The coming years will be a pivotal time for Missouri, and the choices state lawmakers make will set the direction for the quality of life of Missourians for years to come. With your support and partnership, the Missouri Budget Project will inform and shape the debate, and work towards a Missouri economy that works for everyone.

Thanks for all you do!
Amy Blouin

INVEST IN MISSOURI

Through our objective research and analysis, outreach, and education, the MBP works so that our state can be a place where Missouri families, small businesses, and a strong middle-class can thrive. But for Missouri to achieve an economy that works for everyone, and where everyone has the best possible chance at a brighter tomorrow, we need to invest in the people of Missouri, and invest in the services that provide the foundation for all to succeed.

Unfortunately, especially over the last few years, our state has lost its focus on everyday Missourians. When times were tough, lawmakers chose to cut services that benefit us all, like education and health care, instead of taking the long view and enacting policies that would have strengthened our state.

Through our Invest in Missouri reports, the MBP has examined how this disinvestment has impacted Missouri services in general, with special attention to early childhood, K-12, and higher education, along with health and mental health services. We have proposed how Missouri can begin to make up for lost ground, bettering Missourians' quality of life and making our economy stronger.

It's time for us to do better. It's time for us to Invest in Missouri.

MBP's Invest in Missouri series can be found at www.mobudget.org/invest.



STREAMLINED SALES TAX

It's never been easier than it is today to buy things without leaving home. You can go online and purchase almost anything. But few people realize that when they buy online, they often deprive their communities of the resources needed for schools, transportation, safe communities, and other building blocks of a strong economy. So what's the connection?

Few online purchases made by Missourians include sales tax. That's not because the tax isn't owed; it's because no tax is collected. By passing the Streamlined Sales Tax Agreement at both the state and national levels, Missouri can begin

to recoup lost revenue for schools and other services. The agreement would also level the playing field for homegrown bricks and mortar businesses that find themselves at a disadvantage because of the different tax treatment.

This involves no new taxes. The Streamlined Agreement simply puts in place a way to collect tax that is already owed, but rarely paid.

By passing legislation at the state and federal levels, elected officials can make sure that no matter how people shop, everyone contributes to funding the services that make Missouri a great place to live.

MBP: SHAPING THE DEBATE

The work of the MBP goes much farther than our research and analysis. With your support, the MBP remains a trusted source for the media and other opinion leaders. We're a source for the facts helping people understand the impact of policies on Missourians.

Through our work with print media, opinion pages, TV, and radio, the MBP shapes the debate on budget, tax and economic issues.



KCMO Talk Radio - January 8, 2016

“It’s time for the legislature to address the real problems facing Missouri families and create a state EITC, which would boost local economies and provide long-lasting benefits to hard-working families.”

*Traci Gleason
Director of Communications*



Mike Sutherland, Director of Policy, (left) on Missouri Viewpoints, January 24, 2016

MEDICAID EXPANSION WOULD SAVE MISSOURI MONEY

MBP continues its fight for taxpayers and uninsured Missourians by debunking myths and misinformation about Medicaid expansion.

Not only would expansion close the health care coverage gap for 300,000 Missourians, it would provide significant economic and fiscal benefits to our state.

In addition to increased jobs and economic activity, through expansion Missouri would realize more than \$100 million in state general revenue savings and new tax revenue every year.

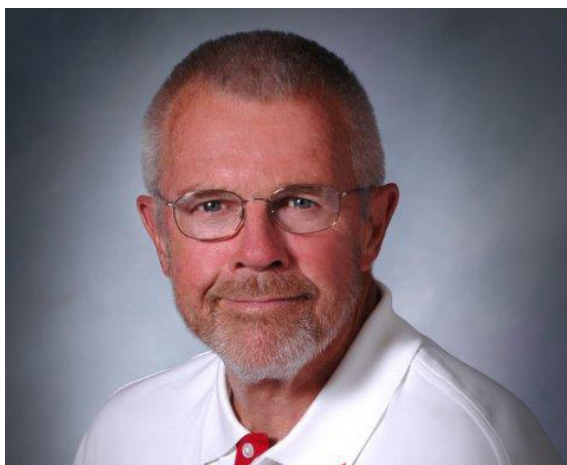
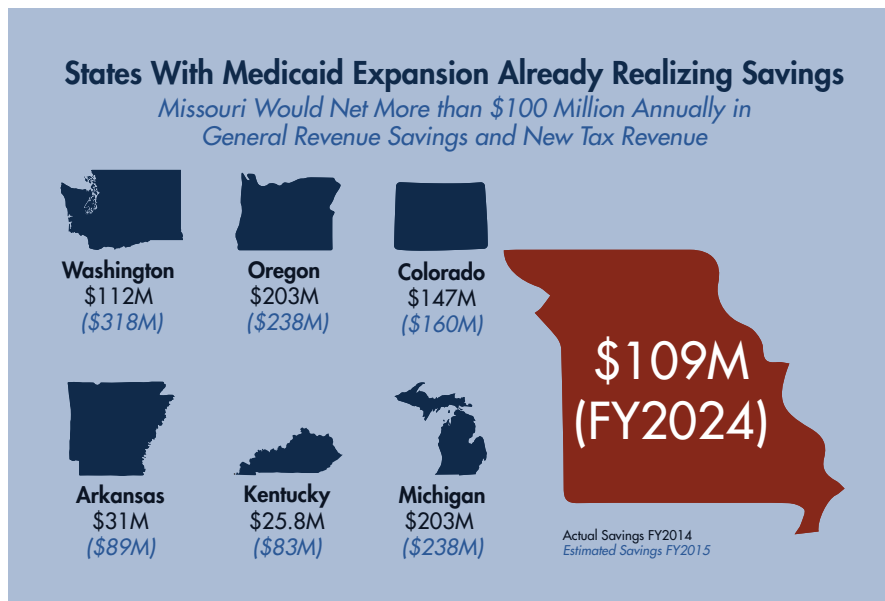
Missouri currently funds 100 percent of many health services, including for some pregnant women and

Missourians with disabilities or mental health needs, with state dollars. Expanding Medicaid to 138 percent of the federal poverty level would allow those Missourians to be covered through a mostly federally funded Medicaid expansion.

Other states are already seeing these savings. A recent analysis of actual state budget savings in eight states that have expanded Medicaid found that by the end of 2015 (just 1.5 years into expansion) these eight states would have experienced savings and revenue increases of more than \$1.8 billion.

Similarly, Missouri would save significant state revenue by expanding Medicaid. By moving people from existing state-funded services into the federally-funded Medicaid expansion, Missouri would save state general revenue dollars each year. The savings is net of new state general revenue costs for the expanded coverage. These are real dollars that could be used to fund education, infrastructure, or other critical services in the Show-Me State.

Missouri can't afford to wait any longer to expand Medicaid and close the coverage gap.



DONOR SPOTLIGHT

Charlie O'Reilly

Retired, Vice Chairman, O'Reilly Auto Parts

“The Missouri Budget Project’s work serves as a guidepost for public policies that support a stable and competitive Missouri economy and ensure opportunities for all Missourians. MBP’s research and analysis helps shape the public debate about state budget and tax issues. Their work demonstrates how investing in the needs of Missourians not only improves quality of life for us all, but builds an economy that works for everyone.”