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.
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](http://www.mobudget.org/invest).**
Another problem caused by underfunding the formula is it pushes more of the burden of funding education to local communities, said Blouin, the Missouri Budget Project director. In poorer communities that have less money to spend, education funding has not kept pace with inflation, she said.

"Some areas that have much higher property values are going to much more easily generate higher revenue for education whereas areas with lower property values are not going to be able to do that. There is really a significant disparity per student," Blouin said.

Asked why the state has failed to fully fund the education formula, Dixon, the Springfield Republican lawmaker, said a big factor was the recession that began in 2008, which led to a downturn in state revenue, which made it harder to fully fund the education system.

The recession isn’t the only reason the state doesn’t have the revenue to fully fund education, said Tom Kruckemeyer, director of fiscal policy and chief economist for the Missouri Budget Project. He argued state tax cuts have also reduced revenue and made it harder for Missouri to reach the education funding benchmark it set for itself.

"The central problem to fully funding the formula to our way of thinking at the budget project is pretty simple. And it is because the tax policies of the last 15 years in a collective sense, the state simply doesn’t generate enough revenue anymore to do this and a host of other things that arguably should be done," Kruckemeyer said.

Last month, when Dixon spoke to News-Leader about the funding formula, he said the best way for Missouri to fully fund its education system would be by increasing economic growth, which in turn would grow the tax base.

Furthermore, he said, cutting taxes is important to help businesses grow.

Meanwhile, on Wednesday, Democratic leaders from the House and the Senate both said education funding would be a top priority for their party, although their influence is limited as they are the minority party in both chambers.
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) those 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.”