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1. House Appropriations Committee releases details of Economic Recovery Package

The House Appropriations Committee released details about the Economic Recovery Package (ERP) this week. The total cost of the package is \$825 billion; \$550 billion in targeted investments and \$275 billion in tax cuts.

Some of the highlights of the ERP include:

- \$120 billion to stabilize state education budgets
- \$43 billion for unemployment insurance benefits and job training
- \$87 billion for a temporary FMAP increase (federal match for state Medicaid dollars)
- \$39 billion for assistance to unemployed individuals who cannot afford COBRA payments to retain health insurance, and to fund an option for states to make unemployed individuals temporarily eligible for Medicaid
- \$20 billion to increase Food Stamp benefits by over 13%
- \$14 billion for housing-related assistance
- \$5 billion for the Child Care Development Block Grant, Head Start and IDEA grants to serve children under the age of 2
- \$4.2 billion for one-time extra SSI payments to eligibles
- \$2.5 billion for Temporary Assistance for Needy Families to help states meet increased need
- \$1 billion each for the Community Services Block Grant, the Community Development Block Grant, Low Income Heating Assistance, Child Support Enforcement

The news release also reported: \$52 billion for energy efficiency/alternative energy; \$1 billion for small businesses; almost \$1 billion for coupons to assist individuals with DTV conversion; \$44 billion to modernize roads and other modes of transportation; and \$10 billion to promote clean water.

To read the release, go to http://www.frac.org/pdf/recoverybill_approps.pdf.

2. SCHIP reauthorization moves forward in both House and Senate

The House passed the State Children's Health Insurance Program (SCHIP) reauthorization bill, HR2 on January 14. Its cost is about \$33 billion over 4 and a half years. The bill contains provisions that will allow states to provide insurance for legal immigrant children, without a 5 year waiting period. It removes language about the August 17 CMS directive which, if implemented, would harm many vulnerable Missourians. Being silent on this issue in the bill allows the Obama administration to rescind the directive, should they choose to do so. (We hope they do!)

The vote by the Missouri delegation was largely along party lines, with Democrats supporting the bill, and Republicans opposing it. Jo Ann Emerson, the Republican Congresswoman from

southeast Missouri voted for HR2. Kudos to the supporters. And thanks to all who made calls about this important issue.

The Senate Finance Committee passed the Chair's Mark on reauthorization on January 15. It is very similar to the House bill, with a cost of \$31.5 billion over 4 and a half years. Since the SCHIP reauthorization is not part of the Economic Recovery Package, it is subject to pay-as-you-go rules, and must have an identified source of funding. Both the House and Senate propose to do this by increasing the federal tobacco tax. Action is expected on the Senate floor next week.

3. Governor Nixon sworn in on January 12

Governor Nixon was sworn in on January 12. His inaugural speech outlined both the challenges and opportunities that are ahead. He also pledged bi-partisan cooperation, a theme stressed by Republican leadership in both the House and Senate. You can read his address at <http://www.governor.mo.gov/newsroom/speeches>.

4. Committees and Hearings

House and Senate leadership are still in the process of appointing Committee chairs and members. Appointments are expected to be completed by next week.

In the House, Speaker Richard made significant changes that bode well for bi-partisan work. During previous sessions, Speaker Jetton greatly increased the number of "Special" Committees. The Speaker appoints both majority and minority members to Special Committees, allowing him/her maximum power to influence the make-up of the Committees. The majority and minority leadership appoint their members, respectively, to Standing Committees.

Speaker Richard reduced the number of "Special" Committees from 26 to 8. The (formerly) Special Committee on Health Care Transformation is now a Standing Committee. The Speaker created Special Committees on Health Insurance, Children & Families, and Infrastructure & Transportation Funding.

Scheduled hearings

The House Appropriations Committee on Health, Mental Health and Social Services is holding hearings next week to hear testimony from providers and the public. Please call 573.751.1480 to sign up. The hearings will be on 1/21/09 at 2 PM in HR5 and on 1/22/09 at 8 AM in HR5.

5. Missouri Budget Project's legislative priorities

Give Priority to State Policy that Improves Economic Conditions and the Lives of Missourians.

Reduce Poverty and Enhance Economic Opportunity for All Missourians

- a. Create a State Earned Income Tax Credit (Senate Bill 105 and Senate Bill 138)
- b. Enhance funding for the Child Care subsidy for low income working families (Senate Bill 94 and State Budget Bills)

Increase Access to Affordable Health Care for All Missourians

- a. Restore Medicaid to low income parents, people with disabilities and seniors who lost coverage in 2005
- b. Ensure that all Missourians have access to quality, affordable health care, and make low income Missourians the highest priority
- c. Provide adequate funding for all Medicaid services including dental and vision care (State Budget Bills)
- d. Strengthen the Children's Health Insurance Program

Ensure Adequate State Revenue to Provide Services

Encourage Congress to Pass a Comprehensive Economic Recovery package that includes increased federal funds for Medicaid (FMAP) and other critical state services. State Lawmakers should delay state budget decisions until the Congress has time to act.

An attached policy brief on the benefits of a State Earned Income Tax Credit is attached. Please note that this is a "read only" file. By choosing this, you do not need a password to open the file.

For more information regarding the issues in this update, please contact one of the MBP staff.

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