

In this issue:

- 1. Progress on health-related bills: SB306 to be heard this week**
- 2. Progress on tax/revenue related bills: HJR23 (TABOR), bills to receive funds from the economic recovery package, and proposal for a State earned Income Tax Credit move forward. Jobs package hits snag.**
- 3. Scheduled Hearings**
- 4. New resources available on the Missouri Budget Project web site**

1. Progress on health-related bills: SB306 to be heard this week

SB306 (Dempsey) will be heard this Tuesday (see schedule below). The Missouri Budget Project understands that Senator Dempsey is working on a substitute bill that probably won't be available until Monday, and that there were some drafting errors in the filed bill. The Missouri Budget Project does not support the bill as filed.

SB18(Bray) is now on the Senate calendar. This bill sets up a commission to study ways to assure health insurance for all Missourians, raises eligibility for MO HealthNet for seniors and individuals with a disability from 85 to 100% of FPL, modifies the definition of "affordable insurance" when determining SCHIP eligibility, and enacts the Governor's proposal to eliminate premiums for families with incomes from 150 to 225% of FPL, with a flat \$50/month premium for families with incomes from 226 to 300% of FPL. Feels like progress...

HB663 (Allen), which makes guidelines for the Ticket to Work program less restrictive, was heard this week.

2. Progress on tax/revenue related bills: HJR23 (TABOR), bills to receive funds from the economic recovery package, and proposal for a State earned Income Tax Credit move forward. Jobs package hits snag

The House Budget Committee passed HJR 23 and the bill currently sits on the House Calendar. This bill could be debated and voted on in the Missouri House this next week.

HJR 23 (Icet), a TABOR-like bill, would create an additional constitutional revenue/spending lid in Missouri that would **permanently tie Missouri to the current fiscal crisis** and deteriorate Missouri's ability to fund basic services. The bill was changed slightly in committee but still contains the basic TABOR provisions that would have very damaging impacts on Missouri's ability to fund services and invest in education and infrastructure. Please contact your House and Senate members in opposition. A summary of TABOR is available on the Missouri Budget Project web site www.mobudget.org.

Setting up funds to receive the economic recovery money

Companion bills that would set up 2 funds to receive the federal economic money are on a fast track. **SB313 (Nodler)** is on the H calendar. **HB744 (Icet)** has been referred to the Senate.

Earned Income Tax Credit: Senate Bill 105 and Senate Bill 138:

SB105 (Justus), which would create a State Earned Income Tax Credit in Missouri, was heard in the Senate Government Accountability Committee this week. In this time of economic turmoil, one of the most effective steps state lawmakers can take to stimulate Missouri's economy is to create a State Earned Income Tax Credit (EITC). A State EITC could benefit as many as 440,000 Missouri families and is **also proven to be a valuable economic stimulus, generating economic activity** that would reach every corner of Missouri. Please contact your Senator and

urge them to support a State EITC. More information is available on the MBP web site at www.mobudget.org.

HB191 (Flook), which appears to be the vehicle for a job development bill, has been on the Senate Calendar since 2/16. The primary focus of the bill was removing the cap from the Quality Jobs program, but the bill was amended in both the House and Senate to include numerous proposals to stimulate jobs. The Missouri Budget Project is concerned about the cost of the bill, and whether the various proposals are effective ways to create jobs.

Two bills of great concern to the Missouri Budget Project will be heard on Wednesday (see schedule below). **HB318 (Kelly)** and **HB814 (Emery)** both propose to replace state individual, corporate and estate taxes with sales taxes. By nature, sales taxes are regressive, and the Missouri Budget Project believes that these bills undermine the principles of fairness and equity that should be the basis of our tax system

3. Scheduled Hearings

Monday, March 2

S Appropriations Com, 12:30 PM, SCR2.

Tuesday, March 3

S Appropriations Com, 8 AM SCR2.

H Budget Com, 8 AM HR3 will discuss reports from the Appropriations Committees

S Com on Health, Mental Health, Families and Children, 8:15 AM SCR1 will hear SB306

Wednesday, February 18

H Budget Com, 8 AM HR3 will discuss reports from the Appropriations Committees

H Tax Reform Com, 8 AM HR5, will hear HB814 and HB318.

4. New resources available on the Missouri Budget Project web site

Summaries of the Economic Recovery Act and the Economic Impact of the Act in Missouri were posted to the Missouri Budget Project web site this week. Take a look if you haven't seen them! www.mobudget.org.

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

*Amy Blouin
Executive Director
314.652.1400 (office) 314.518.8867 (cell)*

*Ruth R. Ehresman
Director of Health & Budgetary Policy
314.652.1400 (office) 314 504.3616 (cell)*

*Tom Kruckemeyer
Chief Economist
573.636.2581*

*Heather Lasher Todd
Communications Director
314.652.1400*