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Missouri Legislative Session Concludes

Many vital programs saved; Missed opportunities for addressing ongoing budget crisis

Today, the Missouri legislative session ended, with bills that would extend critical funding for health care services and extend the MO Rx prescription drug assistance program passing in the final hours.

Overall, legislators ended the session largely protecting priorities for Missourians, specifically senior citizens. The Missouri Rx program, which helps more than 200,000 low- and middle-income seniors access prescription medication, was reauthorized, and low-income senior citizens and people with disabilities will still be eligible for the Circuit Breaker property tax credit if they rent.

“We’re pleased that despite ongoing budget cuts, Missouri’s most vulnerable seniors were spared pain through the reauthorization of Missouri Rx and the protection of the circuit breaker credit,” said Amy Blouin, Executive Director of the Missouri Budget Project. “These programs form a vital life line for many low-income seniors and individuals with disabilities.”

Moreover, taxpayers were protected when mega sales tax proposals failed to advance in either chamber. The proposals would increase taxes for 95 percent of Missourians.

However, legislators failed to use a balanced approach in addressing the state’s ongoing budget crisis and missed critical opportunities to ensure that Missouri’s priorities will be able to be funded next year. Although the state’s budget crisis is not ending, legislators passed a budget continuing cuts from previous years, while doing little to explore responsible solutions.

“The state continues to face underlying structural problems when it comes to the state budget,” said Blouin. “Legislators failed to confront that reality, and we’ll see many of the same debates next year without a balanced approach to our budget shortfalls.”

Although several bills were introduced that would increase state revenue, including proposals to increase the state’s cigarette tax, which is by far the lowest in the nation, and implement the streamlined sales tax mechanism to collect taxes owed on online sales, neither were debated by the full House or Senate.

Moreover, elected officials eliminated the corporate franchise tax, exacerbating next year’s expected shortfall of at least \$700 million. The misguided move will cost the state more than \$85 million annually when fully phased in.

In another ill-advised legislative maneuver, policymakers reduced the number of weeks Missourians are eligible for unemployment insurance in exchange for an extension of long-term unemployment benefits. Legislators should revisit this policy next year in order to ensure a viable safety net for the unemployed.