

Missouri Budget Project E-News

Federal and State Policy Update

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Federal issues

1. **Health care reform and federal assistance for Medicaid continue to hang in the balance**

Neither the House nor Senate has made public moves on health care reform. President Obama announced a health care summit scheduled for 2/25. This is promised to be a public, bi-partisan event designed to move reform forward.

Meanwhile the extension of federal assistance for Medicaid also remains in limbo. It appears it will not be part of the Senate jobs bill. Nor will extension of unemployment insurance and COBRA assistance. This is bad news for the state and for unemployed individuals.

State issues

2. **Budget bills are introduced**

House Budget Chair Ictet introduced the appropriation bills this week. Our best information is that he has asked the House Appropriation Committees to mark up (make amendments to) the introduced bill.

Although it is not officially posted, our best information is that the Appropriations Committee on Health, Mental Health and Social Services will begin their mark-up at 9 AM on 2/16.

3. **Update on Mega Sales Tax**

SJR 29 (Purgason) was voted DO PASS by the Senate Governmental Accountability and Fiscal Oversight Committee on 2/11. Senators Purgason, Lembke, and Schaefer voted YES, Senators Days and Shoemyer voted NO, and Senator Schmitt did not vote.

These constitutional amendments propose to greatly expand the state sales tax and eliminate individual and corporate income taxes. **The most recent MBP analysis indicates that the sales tax would need to increase to 11 percent to cover the costs in the bill.** A fairly detailed description of how the Missouri Budget Project calculated the sales tax rate is on our web site, as well as other fact sheets and analyses.

SJR29 will be debated by the full Senate. PLEASE contact your State Senator and tell them that this is a dangerous idea and will harm individuals, families, our communities and our state. To find out who your Senator is, go to www.senate.mo.gov.

HJR56 (Emery) has been referred to the House Ways & Means Committee.

4. **Update on health care bills**

SB606 (Stouffer) will be heard on 2/16. See information below. SB606 adds comprehensive day rehabilitation as a service provided by MO HealthNet.

SJR25 (Cunningham) which would allow Missouri to opt out of federal health care reform was voted DO PASS by the Senate Government Accountability and Fiscal Oversight Committee.

A Senate Substitute for SB618 (Rupp) is on the Senate Calendar. This bill requires insurance policies that are new or being renewed to include treatment for autism for children up to age 21. It caps benefits at \$55,000 per year. The Missouri Consolidated Health Plan (the plan that insures the General Assembly and state employees) is exempt from this requirement. Medicaid is also exempt.

HB1918 (Sater), very harmful bill that, among other things, limits the hours of personal care attendant services that a person with a disability may receive, will be heard next week. See information below.

5. Other bills of interest

HB1893 (Kelly) which revises the gaming fund distribution, locking funds for early care and education to the fiscal year 2009 level (a year with low gambling revenues), and earmarking the next \$500,000 of funds (assuming that gambling revenues will go up) to the Veterans Commission Capital Improvement was heard in the House Veterans Committee.

SB625 (Justus), which creates a sliding scale for child care subsidies so families do not fall off a cliff when their income exceeds the eligibility limit, will be heard this week. See information below.

SJR30 (Bartle), which is a constitutional amendment that will require proposals that would create a new tax or increase an existing tax to be voted on during general elections, will be heard this week. See information below.

HB1247 (Sater), another punitive bill aimed at families who receive cash assistance through TANF, will be heard this week. See information below.

HB1987 (Schoeller), which increases from 26 to 52 the number of weeks an individual is eligible to receive shared work benefits under the Shared Work Unemployment Compensation Program in the Division of Employment Security, will be heard. See information below.

SB875 (Dempsey), which allows employers to pay employees under the age of 20 seventy-five percent of the state minimum wage rate as long as that wage is not lower than the federal minimum wage, will be heard this week. See information below. The bill also states that employers may not displace employees in order to hire younger individuals.

SB890 (Crowell), which places a moratorium on low income housing tax credits, will be heard this week. See information below.

SBs 911 (Shields) and 924 (Griesheimer), which establish tax credits for Show-Me Fund Projects in the Quality Jobs Act, will be heard this week. See information below.

6. Committee hearings scheduled

In the House

Monday, 2/15

Special Standing Committee on Workforce Development and Workforce Safety will hear HB1987 at noon in HR6

Tuesday, 2/16

The Appropriations Committee on Health, Mental Health and Social Services will begin mark-up of HBs 2010 and 2011 at 9 AM. Place to be confirmed.

The Committee on Healthcare Transformation at 5 PM in HR6 will hear HB1247.

The Health Policy Committee will hear HB1918. Date and time to be confirmed.

Other hearings will likely be posted early next week.

In the Senate

Tuesday, 2/16

Committee on Health, Mental Health, Seniors and Families at 8:15 AM in SCR1 will hear **SB625 (Justus)** and **SB606 (Stouffer)**

Committee on Small Business, Insurance and Industry at 1 PM in SCR1 will hear **SB875 (Dempsey)** and **SB889 (Crowell)**

Wednesday 3/16

Committee on Jobs, Economic Development and Local Government at 1 PM in the Senate Lounge will hear **SB911 (Shields)**, **SB890 (Crowell)** and **SB924 (Griesheimer)**