

For more information: Amy Blouin 314-518-8867, or Traci Gleason, Director of Communications & Public Engagement, 816-872-8133

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## Missouri Senate Reduces Future Unemployment Benefits in Exchange for Extension

Future Workers at a Disadvantage; Rejecting Funds Slows Economic Recovery

Today the Missouri Senate made damaging long-term changes to a vital component of the safety net for working Missourians and rejected federal money that would spur economic activity in the state. The Senate permanently reduced unemployment benefits for working Missourians who lose their jobs through no fault of their own in exchange for additional benefits for today's long-term unemployed who have been most impacted by the current recession.

"We're gravely disappointed in this action," said Amy Blouin, Executive Director of the Missouri Budget Project. "We shouldn't sell tomorrow's workers down the river to appease four senators blocking vital support for Missourians."

In a political deal, the Senate agreed to permanently reduce available unemployment benefits from 26 to 20 weeks for those unemployed in the future. "History shows that our children may face a recession like we're dealing with today. But with today's action, they will have less of a safety net to fall back on while they get back on their feet," continued Blouin. "Future workers have been put at a disadvantage in order to pacify four Senators."

In addition, the Senate agreed to drastically reduce federal stimulus appropriations in House Bill 18, cutting \$250 million from the \$538 million bill. The bill includes funding for infrastructure that serves as the foundation of Missouri's economy as well as for a variety of programs that assist working Missourians. HB 18 includes funds directed to local education entities for special education and homeless and otherwise disadvantaged students; money for programs for children with disabilities; funding for water quality management and infrastructure; emerging industry grants; and law enforcement and justice assistance grants.

"Rejecting this funding during an economic recession makes no sense. Not only would Missourians benefit from these services, but they would provide jobs and spur economic activity," said Blouin.

Like nearly every state, Missouri is experiencing sustained high levels of unemployment due to the recession. In February, Missouri's unemployment rate stood at 9.4 percent, only very slightly below what it was one year ago. The U.S. Congress has provided temporary, wholly federally funded extended unemployment insurance benefits for long-term unemployed workers who have been hardest hit by the recession. In order to access these extended benefits for Missourians, the Missouri General Assembly must approve a technical change to in state statutes.

Although similar legislation was approved by Missouri lawmakers during the 2009 and 2010 state legislative sessions, and the bill passed the House overwhelmingly in January, four senators have been blocking a vote on House Bill 163, the legislation carrying the necessary technical change.

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The Mission of the Missouri Budget Project is: To advance public policies that improve economic opportunities for all Missourians – particularly low and middle-income families – by providing reliable and objective research, public education and advocacy.