What’s At Stake in Federal Debates

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Missouri's FY 2018 Budget - All Funds
$27.7 billion

- State General Revenue: 34%
- Federal Revenue: 33%
- State Dedicated Revenue: 33%
How Services are Funded

Missouri’s FY 2018 General Revenue Budget
$9.4 billion

- Elementary & Secondary Education: 36%
- Social Services: 18%
- Public Safety & Corrections: 8%
- Health & Senior Services: 4%
- Mental Health: 8%
- Higher Education: 10%
- Other: 16%
Missouri’s FY 2018 Budget - All Funds
$27.7 billion

- Social Services: 34%
- Other: 10%
- Elementary & Secondary Education: 22%
- Public Safety & Corrections: 5%
- Health & Senior Services: 5%
- Mental Health: 8%
- Higher Education: 4%
- Transportation: 8%
- Economic Development: 1%
- Conservation & Natural Resources: 3%
The Perfect Storm
Federal Budget Resolution
What’s At Stake

Federal Budget Resolution
Required Cuts Over 10 Years
Amounts in Billions

Medicaid & ACA Cuts: $1,321
Medicare: $473
Income Security (SNAP, SSI, EITC): $653
Non-Defense Discretionary (Child Care Block Grant, Head Start, Housing & Energy Assistance): $800
War Spending: $853

Cut of 16%
Cut of 18%
### What’s At Stake in the Federal Budget
Number of Missourians Impacted – As of September 2017

<table>
<thead>
<tr>
<th>Program</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>MO HealthNet (Medicaid)</td>
<td>980,912</td>
</tr>
<tr>
<td>SNAP - Food Stamps</td>
<td>756,634</td>
</tr>
<tr>
<td>Cash Assistance (TANF)</td>
<td>28,319</td>
</tr>
<tr>
<td>Children in Foster Care</td>
<td>13,481</td>
</tr>
<tr>
<td>Children Receiving Subsidized Child Care</td>
<td>36,911</td>
</tr>
</tbody>
</table>
Federal Budget Resolution
What's At Stake in Health Care

Medicaid Plays an Important Role in Health Care Coverage for Missourians

2 in 5 of all Missouri kids - including 2 of every 5 babies born

1 in 4 of Missourians Living with a Disability

1 in 12 of all Missouri Seniors
Who Qualifies for MO HealthNet?

- Adults Without Dependent Children
- Custodial Parents
- Elderly
- Persons with Disabilities
- Pregnant Women
- Children

**Eligibility limits shown as a percent of the Federal Poverty Level**
Medicaid Makes Sense

Children with Medicaid Coverage:

- Do Better in School
- Miss Fewer School Days due to Illness or Injury
- Are More Likely to Finish High School, and Attend and Graduate College
- Have Fewer Emergency Room Visits & Hospitalizations as Adults
- Earn More as Adults
Average Tax Cuts to Top 1% of U.S. Taxpayers Dwarf Those Going to All Other Income Groups Under the House Tax Proposal in 2018 and 2027

Average Tax Cut For Every Other Income Group Decreases Between 2018-2027

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Average Tax Cuts in 2018</th>
<th>Average Tax Cuts in 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richest 1%</td>
<td>-$48,580</td>
<td>-$64,720</td>
</tr>
<tr>
<td>Next 4%</td>
<td>-$5,690</td>
<td>-$4,340</td>
</tr>
<tr>
<td>Next 15%</td>
<td>-$2,230</td>
<td>-$960</td>
</tr>
<tr>
<td>Fourth 20%</td>
<td>-$1,270</td>
<td>-$870</td>
</tr>
<tr>
<td>Middle 20%</td>
<td>-$750</td>
<td>-$460</td>
</tr>
<tr>
<td>Second 20%</td>
<td>-$360</td>
<td>-$210</td>
</tr>
<tr>
<td>Poorest 20%</td>
<td>-$130</td>
<td>-$110</td>
</tr>
</tbody>
</table>
Nearly One in Ten Missouri Taxpayers Seeing a Tax Hike Under the Senate Proposal

<table>
<thead>
<tr>
<th>Income Bracket</th>
<th>2019</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorest 20%</td>
<td>8%</td>
<td>1%</td>
</tr>
<tr>
<td>Second 20%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Middle 20%</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Fourth 20%</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Next 15%</td>
<td>15%</td>
<td>22%</td>
</tr>
<tr>
<td>Next 4%</td>
<td>17%</td>
<td>14%</td>
</tr>
<tr>
<td>Richest 1%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>ALL</td>
<td>9%</td>
<td>9%</td>
</tr>
</tbody>
</table>
Impact of Doubling the Standard Deduction on Missouri's General Revenue

Would reduce State GR by $700 million
Diminished Services for Missourians

Medicaid Eligibility for Parents
- Missouri 2005: 100% FPL
- Missouri 2017: 22% FPL
- National Average 2017: 138% FPL

Foster Care Reimbursement Rates Well Below Cost of Caring for a Child
- Missouri: $9.86
- National Average: $17.33

Higher Education Cut $74 Million
- Investment Per Student Declines 1/3
- 2008: $7,662
- 2017: $5,164 (33% per student)

MO Rx:
- 64,728 Missouri seniors & people with disabilities CUT

Eligibility for Full Child Care Assistance Ends Well Below National Average Eligibility of 178% FPL
- Eligibility Remains Below All Neighbor States Except Kentucky

Home & Community-Based Services Cuts to 8,000 Missourians
Corporate Tax Cuts

Corporate Tax Collections Dropped 36%
Collections Net of Refunds Would Be Almost $200 million higher

FY 2015: $436 million
FY 2016: $281 million (-36%)
FY 2017: $276 million
FY 2017 without corporate tax cuts: $472 million (+$196 million)
Missouri Revenue Declining Relative to the Economy
State Now Billions Short of Hancock Limits
Keeping “Up” With Kansas
What Does $720 Million Look Like?

Difficult Choices Ahead

- Cutting 1/5 of state funding for K-12 public schools: 20%
- Slashing services for Missourians with serious mental illness, developmental disabilities: 90%
- Nearly eliminating state funding for public colleges & universities: 97%

- 60X what MO spends on meal programs through Area Agencies on Aging
- 40X the cost of continuing MO Rx for 60,000 Missourians who services were cut this year
- 15X the $ needed to prevent home & community-based service cuts for 8,000 seniors & people with disabilities
Federal Timeline

1. Budget Resolution Approved in October

2. Tax Cuts on Rapid Timeline: Prior to End of the Year

3. Health Care and Budget Debates will Continue into 2018

4. Now is the Time to Contact Federal Delegation
Putting Missouri on the Road to Recovery

Prevent the Cliff - Rebuild

1. Decouple from Federal Standard Deduction

2. Repeal the 2014- Senate Bill 509 Tax Cuts before they are fully implemented

3. Restore Corporate Tax Collections

4. Close other loopholes/mend outdated policies