Perspectives on Key Federal and State Policy Issues

Presentation for Forum of Regional Associations of Grantmakers

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SAYS HE’S STEALING FROM OUR GRANDKIDS TO PAY THE RICH! AND HE’S NOT EMBARRASSED!
State Priorities Partners

- Founded in 1993
- 42 State Priorities Partners
- 12 co-located with KIDS Count
- Impacting 92% of US population
- 250 staff
- statepriorities.org
1. The Urgency of the Moment
2. The Way Forward
"I have **deep concerns** with details in the U.S. Senate's plan to fix America's health care system and the resources needed to help our most vulnerable, including those who are dealing with drug addiction, mental illness and chronic health problems and have nowhere else to turn"

Republican Governor of Ohio John Kasich
Washington Examiner, June 22, 2017
22 million people would lose health coverage under Senate ACA repeal.
How Capping Federal Medicaid Funds Would Affect State Budgets

States really only have three ways to cut costs to Medicaid:

- **Cut Benefits**
- **Cut Enrollment**
- **Cut Payments to Providers**
PRESIDENT TRUMP’S BUDGET
WOULD END OUR LONGSTANDING
AND SUCCESSFUL NATIONAL
COMMITMENT TO FIGHTING HUNGER.

IT WOULD FORCE STATES TO PAY A
SHARE OF SNAP COSTS AND LET
STATES CUT BENEFITS TO POOR
FAMILIES.

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250,000 households lose housing vouchers

6.3 million households lose help paying energy and utility bills

2.7 million people will lose access to job training services
Tax cuts for the top 400 roughly equal federal spending cuts from ending Medicaid expansion in Nevada, West Virginia, Arkansas, and Alaska in health repeal bill

2019-2028

- Tax cut for 400 highest-income households: $33 billion
- Federal Medicaid cuts from ending expansion:
  - Alaska: $2 billion
  - Arkansas: $7 billion
  - West Virginia: $12 billion
  - Nevada: $12 billion

Source: CBPP calculations based on Internal Revenue Service Statistics of Income and Urban Institute data for House-passed health bill.

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Trump Budget: Tax Cuts For Heirs and Corporations, Cuts to Low-and Moderate-Income Programs

Costs or savings over ten years

- $2.5 trillion
  - Repeal estate tax
  - Cut the top corporate tax rate

- $2.5 trillion
  - Cuts to low- and moderate-income programs

Two tax cuts largely benefiting wealthy*

*270 billion for repealing estate tax and $2.2 trillion for cutting top corporate rate to 15 percent. Plan also includes other tax cuts tilted to the top.

Source: Joint Committee on Taxation, Committee for a Responsible Federal Budget, and CBPP based on Office of Management and Budget and Congressional Budget Office.
IT'S A NEW DAY

DON’T GIVE UP ON KANSAS

Contact your legislator and tell them to override Brownback’s veto

#OverrideTheVeto
HUH?

I WANT NO PART OF OBAMA'S SOCIALIZED MEDICINE!

GIVE ME MY COUNTRY BACK!

...AND HE'D BETTER KEEP HIS HANDS OFF MY MEDICARE, TOO!
What’s the Matter With Kansas? 2012 - 2017

- Massive Income Tax Cut
- Job growth lags the nation
- $900 million budget gap
- $700 million revenue loss
- Reserves Drained
- Tax cut reversed
- Bonds Downgraded
- School Funding Cuts

Governor Brownback's vanishing surplus

Source: Kansas Legislative Research Department. FY 2014 and FY 2015 are projections.
“KANSAS’ FIVE-YEAR EXPERIMENT SHOWS US WHAT HAPPENS WHEN WE TRY TO TAX-CUT OUR WAY TO PROSPERITY, BUT THE LEGISLATURE’S ACTION REMINDS US THAT WE HAVE OTHER OPTIONS.”

— NICK JOHNSON, SENIOR VP FOR STATE FISCAL POLICY

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California Dreaming: 2012 - 2017

- **Income Tax Rate Increases**
- **$6-9 Billion in Annual Revenues**
- **Bonds upgraded**
- **Job growth leads the nation**
- **Increased Reserves**
- **School funding increased**
- **$ for EITC, Min. Wage, Child Care…**
- **Income Tax Rate Increases Extended**
Twenty-nine States and DC Have Enacted EITCs, 2017

- States with refundable* EITCs (24)
- States with non-refundable EITCs (6)

*Refundable EITCs give working households the full value of the credit they earn even if it exceeds their income tax liability.
Source: CBPP analysis
How did we get here?
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Contact us...

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