LINC Commission Meeting

June 15, 2015

LINC Summer School & Summer Camp

37 area schools

6 school districts

Teacher and students enjoy a book together at Banneker Elementary.

Melcher students practice chess during summer school.

LINC is continuing to work with area school districts this summer to provide fun and educational activities to keep students learning. LINC is providing Before & After care alongside Center, Hickman Mills, and North Kansas City district summer school, LINC Summer School in Kansas City Public Schools, and LINC Summer Camp in Fort Osage, Grandview, Hickman Mills, and North Kansas City school districts.

LINC
Local Investment Commission
www.kclinc.org

Local Investment Commission (LINC) Vision

Our Shared Vision

A caring community that builds on its strengths to provide meaningful opportunities for children, families and individuals to achieve self-sufficiency, attain their highest potential, and contribute to the public good.

Our Mission

To provide leadership and influence to engage the Kansas City Community in creating the best service delivery system to support and strengthen children, families and individuals, holding that system accountable, and changing public attitudes towards the system.

Our Guiding Principles

1. COMPREHENSIVENESS: Provide ready access to a full array of effective services.
2. PREVENTION: Emphasize "front-end" services that enhance development and prevent problems, rather than "back-end" crisis intervention.
3. OUTCOMES: Measure system performance by improved outcomes for children and families, not simply by the number and kind of services delivered.
4. INTENSITY: Offering services to the needed degree and in the appropriate time.
5. PARTICIPANT INVOLVEMENT: Use the needs, concerns, and opinions of individuals who use the service delivery system to drive improvements in the operation of the system.
6. NEIGHBORHOODS: Decentralize services to the places where people live, wherever appropriate, and utilize services to strengthen neighborhood capacity.
7. FLEXIBILITY AND RESPONSIVENESS: Create a delivery system, including programs and reimbursement mechanisms, that are sufficiently flexible and adaptable to respond to the full spectrum of child, family and individual needs.
8. COLLABORATION: Connect public, private and community resources to create an integrated service delivery system.
9. STRONG FAMILIES: Work to strengthen families, especially the capacity of parents to support and nurture the development of their children.
10. RESPECT AND DIGNITY: Treat families, and the staff who work with them, in a respectful and dignified manner.
11. INTERDEPENDENCE/MUTUAL RESPONSIBILITY: Balance the need for individuals to be accountable and responsible with the obligation of community to enhance the welfare of all citizens.
12. CULTURAL COMPETENCY: Demonstrate the belief that diversity in the historical, cultural, religious and spiritual values of different groups is a source of great strength.
13. CREATIVITY: Encourage and allow participants and staff to think and act innovatively, to take risks, and to learn from their experiences and mistakes.
14. COMPASSION: Display an unconditional regard and a caring, non-judgmental attitude toward, participants that recognizes their strengths and empowers them to meet their own needs.
15. HONESTY: Encourage and allow honesty among all people in the system.

Monday, June 15, 2015 | 4 – 6 pm
Kauffman Foundation
4801 Rockhill Rd.
Kansas City, Mo. 64110

Agenda

I. Welcome and Announcements

II. Approvals
   a. May minutes (motion)

III. Superintendents' Reports

IV. Raise Your Hands for Kids Presentation

V. Update Reports
   a. LINC summer programs
   b. Summer Electronic Benefits Transfer
   c. LINC data system update

VI. General Assembly Legislative Updates
   a. SB 24 – Changes in Temporary Assistance to Needy Families
   b. HB 42 – School Transfer Law

VII. Adjournment

THE LOCAL INVESTMENT COMMISSION – MAY 18, 2015

The Local Investment Commission met at the Kauffman Foundation, 4801 Rockhill Rd., Kansas City, Mo. Co-chair **Bailus Tate** presided. Commissioners attending were:

Bert Berkley
Sharon Cheers
Jack Craft
Anita Gorman
Richard Hibschman
Rosemary Lowe
Richard Morris
David Ross

Tate reported LINC is preparing for summer programs, which begin on June 1. A video on the preparations, including performing background checks and fingerprinting for 500 teachers and childcare staff for the LINC summer school program in Kansas City Public Schools, was shown.

Tate announced several superintendents at LINC partner school districts are leaving their current positions including **Stephen Greene** (Kansas City), **Todd White** (North Kansas City), **Mark Enderle** (Fort Osage), and **David Leone** (Center).

Superintendents' Report

- **John Ruddy** (Asst. Supt., Fort Osage School District) reported the regular school year ends this week, and summer school begins next week. The district achieved a graduation rate this year of 99.2%.
- **Dennis Carpenter** (Supt., Hickman Mills School District) reported graduation will be held on May 27; over $1 million in scholarships has been awarded to graduates. More than 600 students applied to the new project-based learning program opening in the fall at Burke Elementary; there are about 275 slots available.
- **Dred Scott** (Asst. Supt., Independence School District) reported 7,000 students grade K-12 are enrolled for summer school. The district provided its transportation center for LINC to use as a fulfillment center for the distribution of 32,000 books. LINC and the Independence Ethnic Council organized the community-wide Día del Niño on May 2.
- **Jerry Kitzi** (Director of Early Childhood Education, Kansas City Public Schools) reported 39 students will graduate from high school with a college degree as well. A group of 11 kindergarten teachers is reviewing tools to determine kindergarten readiness across school districts.
- **Kevin Foster** (Executive Director, Genesis Promise Academy) reported 30% of Genesis students showed 1.5-2 years of growth over the last school year. Seventy percent of students attended the recent "Pancakes for Moms" event. This fall Genesis will begin its expanded calendar, with the school year beginning on Aug. 5 and ending June 30.
- **Gayden Carruth** (Exec. Director, Cooperating School Districts of Greater Kansas City) reported 18 of 29 districts will have new leadership by next year. Missouri HB42 will provide options for students transferring out of unaccredited students but no help for students who stay within unaccredited districts.
- **Beth Heide** (Director of Human Resources, Center School District) reported **Sharon Nibbelink** will succeed David Leone as superintendent in July. The district is developing partnerships with PREP-KC to prepare students for college and careers and with University of Missouri to develop positive behavior interventions.

Tate introduced **Phyllis Becker**, the newly appointed director of the Missouri Dept. of Social Services-Division of Youth Services. Becker reported more than 80 students will graduate from the DYS high school program on June 25. The division is seeking to expand its Star School program.

Education Policy Fellowship Program

Carruth reported 11 fellows participated in the first-year cohort of the restarted EPFP coordinated by LINC and the Cooperating School Districts of Greater Kansas City. Two LINC staff, **Andrea O'Neal** and **Jim Dunn**, participated. A video produced by LINC, featuring recent fellow **Torree Pederson** and past fellow **Tim Decker**, was shown.

EPFP director Bob Bartman gave an overview of the 2014-2015 EPFP program, a 10-month in-service professional development program for current and emerging leaders to gain the capacity to contribute to the formulation, implementation, and debate about education and related policies at the state and national level.

LINC Star School principal **Jim Dunn** and Smith-Hale Middle School (Hickman Mills School District) principal **Hayet Woods** reported on benefitting from the knowledge and relationships of the EPFP staff and presenters.

Data

Oscar Tshibanda of Tshibanda and Associates gave a presentation on the progress of efforts to improve LINC's information services including data and reporting, infrastructure, process improvement, partner support, and capacity building. LINC staff **Steve Winburn** reported on the involvement of LINC youth services staff in developing case management reports using Apricot, the successor data system to NPASS. Independence School District Director of Family Services **John Tramel** reported the new system will aid in the effort to move to a paperless case management system for district family liaisons.

Staff Recognition

Bert Berkley presented awards and gifts to **Erma Wright**, Truman Caring Communities site coordinator, and **Janis Bankston**, site supervisor, who are retiring from LINC.

Reading

Julie Holland of the Kansas City Mayor's Office reported that next week will be the kick-off of "Dads Turn the Page," an effort to encourage more fathers to read to their children. As part of that effort, Turn the Page KC and the Kansas City Public Library will provide books at barbershops for men to read to children. A video on the effort was shown.

A video on the May 2 Día del Niño, or Celebration of the Child, event in Independence was shown.

A motion to approve the April 20, 2015, LINC Commission meeting minutes was passed unanimously.

The meeting was adjourned.

COLUMBIA DAILY TRIBUNE
COLUMBIA, MISSOURI

Effort to increase Missouri cigarette tax would fund early childhood education

By ROGER MCKINNEY

Saturday, June 6, 2015

An effort is underway to place a 50-cent increase in the state's tobacco tax on the November 2016 ballot by initiative petition.

The resulting revenue of $250 million annually would go toward funding early childhood education and health programs.

Raise Your Hand for Kids, a not-for-profit advocacy and fundraising organization associated with the Alliance for Childhood Education, is behind the effort, which supporters estimate would bring in $250 million annually if successful. Policy analysis firm Missouri Wonk also is connected with Raise Your Hand for Kids.

Linda Rallo, policy analyst with Missouri Wonk, said she and her colleague Brian Schmidt have worked out what they think is a winning strategy to increase the tobacco tax.

"We've been working on this about a year and a half," Rallo said. "There are a lot of economic benefits of early childhood education. In Missouri, we're not really funding early childhood education."

She pointed to research by Nobel Prize-winning economist James Heckman, whose research claims high-quality early childhood programs produce positive economic, health and social outcomes for children and society.

The tobacco tax revenue also could be used for prenatal and childhood health screenings, Rallo said.

The effort already has the endorsement of the Missouri School Boards Association.

"We feel like this is a good opportunity to expand early childhood education in the state," said MSBA spokesman Brent Ghan. "Investing in early childhood education is the best investment we can make."

Those involved in the effort held community conversations and stakeholder meetings around the state between September and February, including one in Columbia on Nov. 11. One participant at that meeting was Darin Preis, a member of the Columbia Board of Education and an advocate for early childhood education.

"All of the evidence suggests investments in early childhood result in good returns on those investments," Preis said. "Missouri definitely needs to invest in early childhood initiatives much more broadly. This is a mechanism for doing that."

He said the tax also would provide a disincentive to smokers and those who might consider starting to smoke.

Proponents acknowledge a struggle ahead. Rallo said the petition drive will need about 100,000 valid signatures to certify it for the ballot, but the alliance wants to collect twice that many signatures.

Ron Leone, executive director of the Missouri Petroleum Marketers and Convenience Store Association, said his group will oppose any effort to increase the tobacco tax because it will affect competitiveness with neighboring states.

Leone said the convenience store association hasn't determined a strategy to fight the tax campaign and that the tax's supporters still have obstacles to overcome to get their issue on a ballot. Leone said the tax campaign will have to spend $1 million or more just to get the question before voters. Meanwhile, other groups are trying to place their own tobacco tax on the ballot to fund other items, including higher education.

"They have a long way to go," Leone said.

The 50-cent-per-pack increase would result in a tax of 67 cents per pack of cigarettes. The current 17-cent tax is the lowest in the nation. Three ballot measures to increase the cigarette tax have failed. A 73-cent increase was narrowly defeated in 2012.

Rallo said the 50-cent increase is smaller than recent proposals voted down and that she thinks it will succeed. Polling also has been done showing voters will approve an increase in the tobacco tax to fund early childhood education and health.

Under the proposal, revenue would be distributed to counties based on county populations of children age 5 and younger. Under that formula, Boone County would receive $6,777,081 annually.

Building a better workforce for Missouri
by crafting public policy that improves the health and education of children ages birth to five

INFORMATION SHEET:

PURPOSE

Raise Your Hand for Kids is committed to helping Missouri kids ages five and younger receive the quality education, healthcare and family supports they need to arrive at school healthy and ready to succeed.

WHO WE ARE

We are an alliance of business owners, community leaders, educators, parents and health advocates committed to improving the health and education of our state's biggest asset, our children.

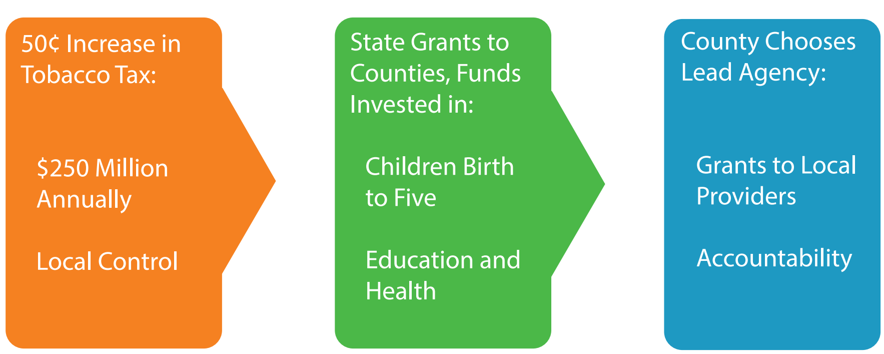
The initiative is coordinated by the Alliance for Childhood Education, the only non-profit, non-partisan coalition of Kansas and Missouri business leaders focused exclusively on education policy, and Missouri Wonk, a St. Louis-based public affairs research, analysis and consulting firm.

THE SOLUTION

Investments in early childhood health and education will be funded through a 50-cent per pack increase in the state's tobacco tax. This solution will raise $250 million annually for investments in health and education at the most critical stages of a person's life.

THE POLICY

Policies are successful when local communities decide what will work best for them. Local input and control will be a hallmark of the Raise Your Hand for Kids effort, empowering communities to invest in early health and education in a way that meets their needs. Tobacco tax funds will be collected by the state and awarded to counties. Counties will then choose a lead agency or lead agencies to award grants to providers. A citizen review process, regular reporting and periodic audits will ensure the policy is transparent and accountable to the taxpayers.



THE BENEFITS

Early childhood investments benefit everyone. Quality early childhood programs increase high school graduation rates and college enrollment, which in turn reduce teen pregnancy, unemployment, crime and dependence on social services.

Missouri's tax on cigarettes is the lowest in the country. Every day 3,000 kids try their first cigarette and another 700 kids become regular smokers. There are more than 250 thousand new underage smokers each year. One-third of them will eventually die from their addiction. **SMOKING HAS DECLINED IN EVERY STATE WHERE THE TOBACCO TAX HAS BEEN INCREASED.**

Investing Early Saves Tax Dollars

Reduced Public Expenditures on:

- Special education
- Grade repetition
- Crime & incarceration
- Teen parents
- Welfare dependency
- Job training costs

Increased Public Returns from:

- Better school and student performance
- Higher graduation rates
- Workforce readiness
- Job productivity
- Community engagement
- Attractor for new jobs and industry

This initiative will not only discourage kids from smoking, it will reduce reliance on future state programs, thus paying a double-dividend to Missouri taxpayers.

GET INVOLVED

Share your ideas for a flexible and accountable policy that will meet the needs of your community. Follow our initiative at RaiseYourHandforKids.org. Contact us to get involved in the effort.

Erin Brower
(913) 568-4529
erin.m.brower@gmail.com

Brian Schmidt
(314) 440-8575
bschmidt@mowonk.com

Linda Rallo
(314) 330-8442
lrallo@mowonk.com

Paid for by the Raise Your Hands for Kids, Erin Brower, 6821 Rockhill Rd Kansas City, MO 64113-2445

INITIATIVE UPDATE & COMMUNITY CONVERSATION REPORT

Spring 2015

AN INITIATIVE FOR
EARLY CHILDHOOD
HEALTH & EDUCATION

www.raiseyourhandforkids.org

Raise Your Hand for Kids promotes family-centered, high-quality early learning and health investments every child needs to become a productive, self-reliant and confident adult.

Our vision is to build a healthy and educated workforce that will help Missouri grow and prosper.

THE INITIATIVE

R aise **Your Hand for Kids** (RYH4K) is pursuing a November 2016 ballot initiative to increase Missouri's tobacco tax and invest the new revenues in early childhood health and education screenings for children ages birth to 5. The funds will go directly to communities, giving them local control and preventing politicians in Jefferson City from swapping funds at the state level.

All Missourians benefit from investments in early childhood health and education – children start school ready to succeed, parents are able to keep good jobs and earn higher incomes, and taxpayers save money because participation in high-quality early childhood programs leads to lower drop-out rates, fewer crimes committed and less spending on social services.

Despite clear evidence showing investing in early learning is one of the smartest investments we can make, year after year we battle state funding cuts. Missouri is the 38th worst state for public pre-K funding. In 2012, the Missouri General Assembly cut $13.2 million from early childhood programs, and Parents as Teachers remains $19 million behind its 2009 funding.

We cannot afford to wait for the Missouri General Assembly to treat early childhood like the priority we know it is. In order to increase access to and quality of early childhood programs in Missouri, we must look to untapped funding streams like the tobacco tax.

Why a Tobacco Tax Increase?

- Missouri is unique in that it has the lowest cigarette tax in the U.S. at 17 cents per pack. This gives us the rare opportunity to pursue the tobacco tax as an early childhood funding vehicle.
- In all likelihood, there will be a tobacco tax increase on the November 2016 ballot – interest groups are beginning to talk. If we don't get out in front of this, early childhood will not be the primary beneficiary.
- The 2012 tobacco tax ballot initiative narrowly lost (50.8 percent to 49.2 percent). From that loss, we know which areas of the state to target with our business and advocacy partners.

Smoking has declined in every state where the tobacco tax has increased. Missouri has the ninth-highest smoking rate in the nation. One in every six pregnant women in Missouri smokes. As a result, smoking-related illnesses cost Missouri's Medicaid program $644.3 million a year.

RYH4K will not only generate health care savings by discouraging children and pregnant women from smoking, it will reduce reliance on future state programs, thus creating a double dividend to Missouri taxpayers.

To date, our initiative has developed a blueprint plan for the ballot initiative, conducted a statewide poll and hosted community conversations across Missouri to discuss early childhood needs. The groundwork has been laid, and we are ready to launch the campaign!

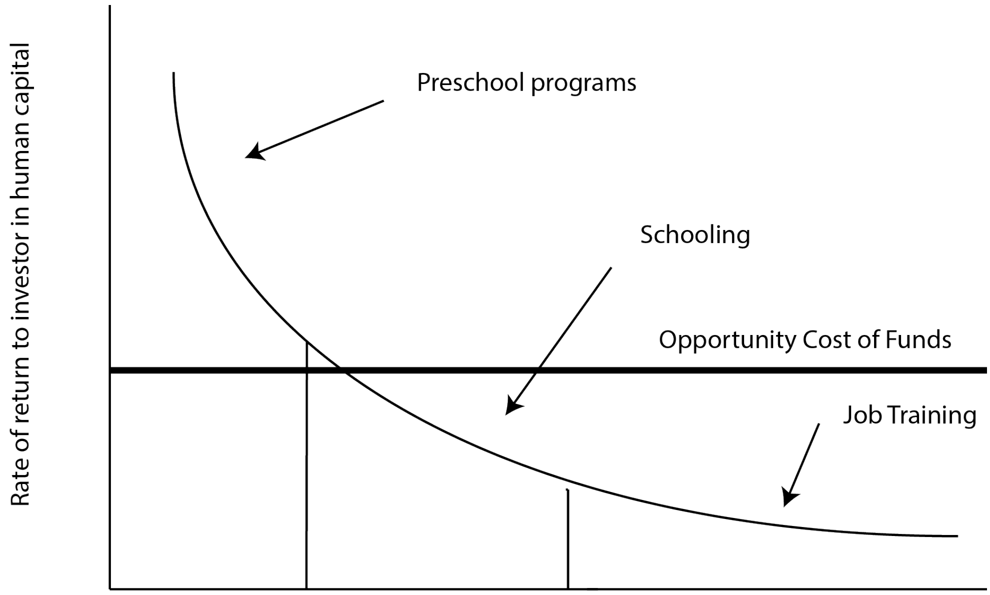
For more information, contact our team or visit RaiseYourHandforKids.org.

Erin Brower
erin.m.brower@gmail.com
913.568.4529

Brian Schmidt
bschmidt@mowonk.com
314.440.8575

Linda Rallo
lrallo@mowonk.com
314.330.8442

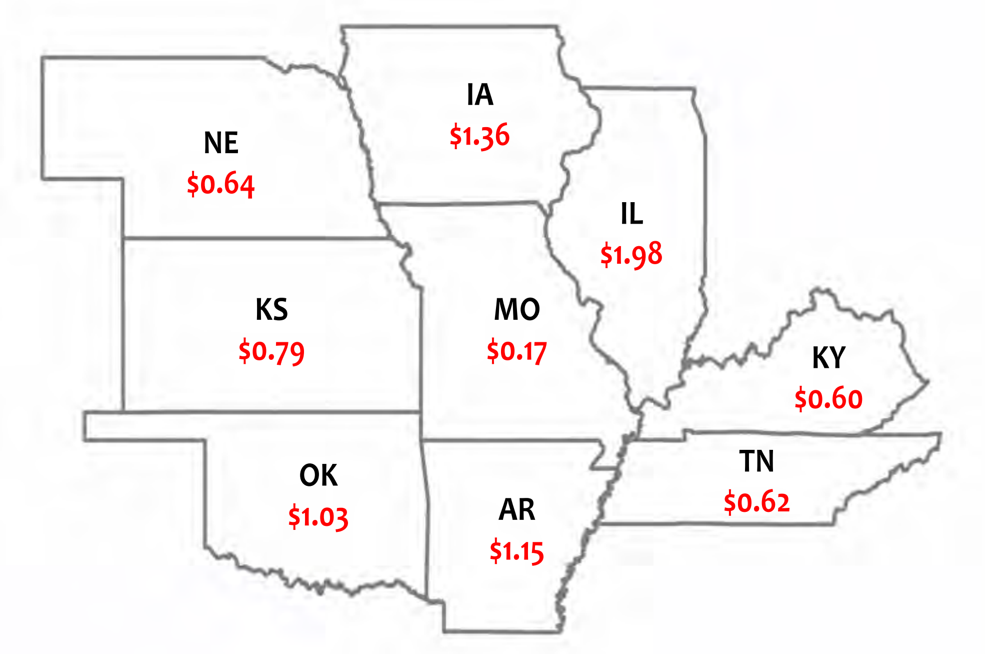
Returns to a Unit Dollar Invested



Rate of return to human capital investment initially setting investments to equal across all ages.

Source: Heckman, James S. (2008)

Tobacco Taxes in Surrounding States



ABOUT THE POLICY & PROCESS

Raise Your Hand for Kids: A Funding Initiative for Early Childhood Investment

Introduction

Investing in children saves money. That's what Nobel Prize-winning economist James Heckman believes. According to Heckman, for every dollar invested in early childhood health and education, taxpayers receive an annual rate of return between 7 and 10 percent from the increased tax revenue generated by higher wages and the savings realized from reduced criminal justice costs. The "Heckman Equation" has bipartisan support and demonstrates the relationship between early childhood and economic development.

Despite the established link between investing early and economic growth, too many children are denied early childhood education opportunities and access to health screenings during their critical formative years. Each year's failure to invest in children results in countless missed opportunities for success.

Our children cannot wait for the Missouri General Assembly to restore cuts made to programs like Parents as Teachers. Taxpayers cannot continue to foot the bill for increased social spending resulting from a lack of investment in human capital. That's why RYH4K is pursuing a November 2016 ballot measure to increase the state's tobacco tax, currently the lowest in the nation, and invest the proceeds in local early childhood health and education initiatives.

A successful ballot initiative requires time, money and a favorable political climate. The past three efforts to increase the tobacco tax in Missouri failed by narrow margins despite what seemed to be adequate resources and public support. The diversity of the state makes it difficult to craft a policy with widespread appeal. To win support, voters need to feel personally connected to the issue and have trust and confidence in the policy.

RYH4K studied previous ballot initiatives to create a process which will produce a policy the majority of voters will endorse. We asked communities throughout Missouri to tell us their early childhood needs, and to describe how they want to invest resources and who they trust to safeguard the funds. We met with hundreds of Missourians from St. Joseph to Poplar Bluff. This report explains the premise behind the policy, the process employed, the findings from the community conversations and how we will gain a $250 million annual investment in our state's future.

For every dollar invested in early childhood health and education, taxpayers receive an annual rate of return between 7 and 10 percent from the increased tax revenue generated by higher wages and the savings realized from reduced criminal justice costs.

Policy

Local input and control is the hallmark of RYH4K. Our policy empowers communities to invest in the early health and education programs they need to meet their individual needs.

An increase of 50 cents per pack to Missouri's tobacco tax will generate an estimated $250 million a year. The new revenues will be collected by the state and distributed to counties according to their population of children ages birth to 5. Counties will establish a board to award grants to providers and projects. Transparency, periodic audits and a focus on outcomes and results will ensure the policy is accountable to taxpayers.

Process

In February 2014, the Alliance for Childhood Education and Missouri Wonk set forth a process to turn good policy into a reality. Given the uncertainty of the Missouri General Assembly approving the policy, the initiative petition route was selected. The Missouri Constitution requires a public vote if a policy increases state revenue by more than $85 million.

The process was split into the following four phases:

Phase 1 – Blueprint and Poll (February-August 2014)

The Alliance for Childhood Education and Missouri Wonk drafted a blueprint for developing and submitting the policy through the initiative petition process. The blueprint researched past tobacco tax attempts and identified stakeholders who should be involved in the policy development process.

In August 2014, the initiative engaged a research firm, The Mellman Group, to conduct a poll to gauge Missouri voters' support of the policy. The polling showed Missouri voters clearly support increasing the state tobacco tax to fund early childhood health and education, and their support increases as they learn more about the impacts of the policy.

Phase 2 – Community Conversations and Stakeholder Meetings (September 2014-February 2015)

After receiving the results of the poll, the Alliance for Childhood Education and Missouri Wonk conducted over 100 meetings with stakeholders and elected officials, and partnered with local chambers of commerce, civic and philanthropic organizations, community leaders, and education institutions to host community conversations throughout the state.

Phase 3 – Policy Development and Identifying Resources for the Campaign (March 2015-May 2015)

Based on the feedback from the community conversations and the stakeholder meetings, RYH4K filed as a 501(c)(4) to officially pursue the ballot initiative. Moving forward, RYH4K will use the feedback from the community conversations to create the policy. Additional input from policy administrators and providers, plus information gleaned from St. Louis University's Health Policy Department's senior seminar capstone graduate class, will be used to ensure the best policy is created.

During the policy development stage, RYH4K will continue identifying regional outreach and fundraising champions.

Phase 4 – Collecting Signatures and Campaigning (June 2015-November 2016)

After filing the policy in May 2015, RYH4K will pursue placing the policy on the November 2016 general election ballot. This process includes defending the policy against legal challenges and collecting certified signatures of Missouri voters required by the Missouri Constitution (between 98,618 and 104,934 signatures depending on which congressional districts the initiative chooses to collect signatures in).

Once the secretary of state places the policy on the ballot, RYH4K will undertake a campaign to ensure a majority of Missouri voters approves the policy.

EXECUTIVE SUMMARY

RYH4K organized community conversations throughout the state to guide the development of a flexible policy for early childhood investments in Missouri. This 11-stop tour included events in Columbia, St. Joseph, Poplar Bluff, St. Louis, Cape Girardeau, Kansas City, Branson, West Plains, Springfield, Joplin and Kirksville. This report includes findings from each community conversation.

At each community conversation, RYH4K delivered a 30-minute presentation showing:

- How investing in early childhood health and education for children ages birth to 5 leads to success in school, work and life
- Ways early childhood spending delivers return on investment
- Why to pursue the tobacco tax as the source of funding
- Past tobacco tax attempts and what makes the climate in 2016 favorable
- How community input will shape the policy crafted for Missouri

Each conversation included a county map showing distribution of funds based on population of children ages birth to 5.

After the presentation, participants were asked to share their views on the early childhood landscape of their community, local unmet needs and how they would like to see funds invested. RYH4K led each group through a discussion on the block-grant-to-county approach and how best to safeguard new revenues.

Each participant received an information sheet, advocacy toolkit and a four-page survey, which was then collected and processed by RYH4K.

WHAT WE LEARNED

The message received during RYH4K's three-month, 11-city tour of the state is clear – Missourians want increased local investments for their youngest children. There is overwhelming statewide support for a 50-cent tobacco tax increase to fund early childhood health and education programs for children ages birth to 5.

Process

From November 2014 through January 2015, RYH4K traveled to 11 communities throughout Missouri to discuss local needs and policy perspectives. Cities visited in chronological order include: Columbia, St. Joseph, Poplar Bluff, St. Louis, Cape Girardeau, Kansas City, Branson, West Plains, Springfield, Joplin and Kirksville.

Each community conversation was co-hosted by a prominent community leader, including representatives from local chambers, a bank, a hospital and community non-profits. Health and education experts, business leaders, elected officials, parents and community leaders were invited to learn about RYH4K's early childhood ballot initiative and provide feedback for helping create the best policy to fulfill Missouri's diverse needs.

A skeleton policy was presented to participants – 50 cents, birth to 5, health and education, block grants to counties. The community conversations took life from there.

Findings

- **Fairness** – Funds should be distributed via block grants to counties based on the county's population ages birth to 5.
- **Local Control** – Funds should be distributed to the governing bodies of counties to serve as the fund trustee.
- **Responsibility** – The governing bodies of the counties will appoint councils. The councils will make funding decisions and may elect to contract with a third party to administer grants. The policy will prescribe board members.
- **Representation** – The council must reflect health and education sectors, private and public providers, and urban and rural areas.
- **Accountability** – Grant recipients will provide progress reports and be transparent in their usage of funds.
- **Local Decision-making** – Counties should be able to choose the length of the grants and whether funding is weighted for poverty at the local level.
- **Quality** – The policy should necessitate evidence-based programs and guiding parameters, not harsh requirements.
- **Ease** – Technical assistance, best practices guidance and grant templates should be provided.
- **Administration** – Caps for administration costs at both the state and local levels should be included in the policy.

Thoughts

Three tobacco tax increase attempts have failed over the last 13 years. We must not give up, but rather learn from past campaigns and continue to pursue the effort. RYH4K is going about this the right way – asking Missourians what they need and how their needs can be met; having an open dialogue with the opposition; and listening to what the polling and the people say. Missouri is diverse. The policy won't be perfect, but we cannot let the perfect be the enemy of the good. The time is now to do right by our children.

Raise Your Hand for Kids Community Conversation Tour Stops

County Grants to Local Providers

Early childhood experts need to be at the table during the grant-making process. Locals are better suited to make grants because they know area needs and existing resources. The group liked that the policy allows funding for pre-K and Parents as Teachers.

Counties should be required to establish advisory boards. Members of the board should include representatives from public schools, Parents as Teachers, Head Start and the health community. Every county has Title 1 pre-K, Head Start and Parents as Teachers, so these organizations' perspectives should be included in the decision-making process.

Advisory board members should apply rather than be appointed. Counties should be able to make the grants themselves if they have adequate resources, or they can choose to contract with a third-party entity to administer grants, like Cape Girardeau's Success by 6 committee.

Existing Early Childhood Framework and Unmet Needs

One participant emphasized that the greater the poverty, the greater the need for early intervention. Parent educators are vital, as are high-quality home visits and preschool to overcome poverty. Missouri currently has no incentives to work toward or pay for quality, thus additional resources are desperately needed.

Participants agreed smoking cessation for pregnant women and educating parents about harmful effects of smoking in their homes is needed.

Accountability and Transparency

One participant stressed voters want to know who controls the purse strings. Bringing the funds to the local level increases voter trust.

Other Thoughts

Participants advised RYH4K to look at and learn from SB 40 board mistakes.

KANSAS CITY – DECEMBER 12, 2014

Following the momentum of the Greater Kansas City Chamber's inclusion of kindergarten readiness as one of its top five priorities, more than 100 Kansas City-area residents enthusiastically came together to discuss the benefits of increasing local early childhood investments. The event was co-hosted by the Chamber and the Health Care Foundation of Greater Kansas City.

General Idea of the Policy

One participant acknowledged the effort will be tough, but it is needed. A business leader emphasized the initiative is both an economic development driver and a moral imperative. Several agreed a tax on other tobacco products, not just cigarettes, should be explored.

Also, the policy should include safeguards to protect existing state investments. Participants asked if there is support for the initiative from county officials and the Department of Elementary and Secondary Education. RYH4K described the stakeholder meetings and open dialogue it has with numerous partners, elected officials, tobacco companies and convenience stores.

State Grants to Counties

Increasing early childhood investment by $250 million and providing block grants to counties is a great start; conversely, this only equates to $550 per child. This will not solve all problems, and that needs to be clearly communicated. Making up the difference between the cost of services and what this new revenue provides was discussed.

County Grants to Local Providers

The group questioned whether creating new entities like a council will maximize the benefit of these resources. Some attendees thought allowing counties to pool funds for service delivery is a good idea. One participant suggested polling on the distribution mechanisms.

Existing Early Childhood Framework and Unmet Needs

There was a common concern among participants that funding will not primarily be used for early childhood education. Other participants would like to see funding for smoking cessation and keeping kids from smoking.

Some attendees discussed the need for a universal vision for early childhood throughout Missouri – innovative ideas should be recognized and shared, and quality should be the focus.

> "Movement from policy to results has to have a clear strategy for building capacity for change. It's more than a planning issue and more than a policy issue." - Kansas City participant

Accountability and Transparency

One participant stated defining direct services funding minimums and administration funding maximums is important.

Other Thoughts

Participants agreed educating voters is critical. One person suggested RYH4K focus on messaging that Missouri has the lowest cigarette tax in the nation, and we are only proposing a modest 50-cent increase. Additionally, RYH4K should highlight how much higher other states' cigarette taxes are. This message will compete with the opposition's message that a 50-cent increase is a 300 percent tax increase.

One participant suggested future polling should include a question on support for a 49-cent increase versus a 50-cent increase to see if there is a difference.

CONCLUSION

Early childhood investments benefit everyone. Quality early childhood programs increase high school graduation rates and college enrollment, which in turn reduce teen pregnancy, unemployment, crime and dependence on social services.

Missouri's tax on cigarettes is the lowest in the country.

According to the Campaign for Tobacco Free Kids, every year in the Show-Me State, 6,100 kids try their first cigarette and become regular smokers. Underage Missourians purchase or smoke 9.6 million packs of cigarettes annually. There are currently 128,000 kids under 18 who will eventually die from their addiction.

Whenever a state increases its tobacco tax, smoking rates decline.

We asked, and Missourians agree. It's time to raise the tobacco tax and invest in our children.

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RAISE YOUR HAND FOR KIDS

The Economist

Preventing juvenile crime
The witching hour

How longer school-days can keep kids out of trouble

May 30th 2015 | NEW YORK

AT CRESTON ACADEMY in the Bronx, around 50 students between the ages of 11 and 14 are dancing in sync to salsa music. “Do the Suzy Q,” yells their instructor. “Now the rumba!” Elsewhere in the building children are acting in plays, dribbling basketballs and learning how to cook. In this mostly Hispanic neighbourhood known for gangs and poverty, over 200 students are participating in free after-school activities provided by Good Shepherd Services, a charity that helps vulnerable youths in the Bronx and Brooklyn. “We’re having fun,” says Samira, a “Salsa Scholar” on break from the cha cha.

By staying in school until after 5pm, these children are also staying out of trouble. Violent crime by or against young people peaks between 3pm and 4pm on school days, according to national FBI statistics. By 10pm, when adults commit most crimes, young people are half as deviant as they are at 3pm. Nearly a fifth of all crimes involving young people take place between 3pm and 7pm on weekdays.

Cities nervous about juvenile crime often introduce a mandatory curfew to keep kids off the street between 10pm and 6am. A new juvenile curfew in Paulsboro, New Jersey, punishes violators with fines of up to $1,000. Baltimore introduced one of the strictest curfews last year. Yet there is little evidence that curfews reduce crime. In Denver, Colorado, for example, where police punish teens who stay out late, “most juvenile crime occurs after school, not late at night,” admits Commander Matthew Murray of the Denver Police Department. Nationally the rate of juvenile violence in the hours after school is five times that in the standard curfew period.

Mandatory ones can be costly to enforce, says Michael Males of the Centre on Juvenile and Criminal Justice, an advocacy group. In Philadelphia, for example, where a strict curfew keeps teens under 18 off the street by 10.30pm on weeknights, curfew and loitering stops made up around 70% of all juvenile arrests, according to the most recent FBI statistics. Officers also appear to enforce curfews unevenly. In 2011 young African-Americans were 269% more likely to be arrested for violating curfew laws than their white peers, says the Sentencing Project, another advocacy group.

Analysts reckon that after-school programmes are a better way to keep youths in order. A study from the University of California at Los Angeles assessing the performance of LA’s BEST, a programme that serves 28,000 students across Los Angeles, found that regular participants were less likely to commit crimes, even years later.

Advocates claim that after-school programmes produce other benefits, from improving student behaviour to encouraging better attendance at school. But here the evidence is more mixed, according to a review of existing research published recently in the *Journal of Youth and Adolescence.* Some do indeed raise grades and enhance student performance, but programmes vary greatly in quality and are rarely informed by rigorous studies about what works best.

Still, parents want more of them. Around 10.2m students took part in after-school programmes around the country in 2014, but this number would nearly triple if supply met demand, claims the Afterschool Alliance, a lobby group. “We’re over-enrolled, but we make it work,” says Chante Brown, the programme director at Creston. “Because if they’re not in this building, forget about it.”

The Kansas City Star

Welfare cuts in Kansas, Missouri could be a hint of things to come

May 24, 2015

By DAVE HELLING

Every week, Nelson Gabriel counsels three dozen welfare recipients in Kansas City, Kan., on how to stretch their dollars to pay rent, keep up with utilities or fix the car.

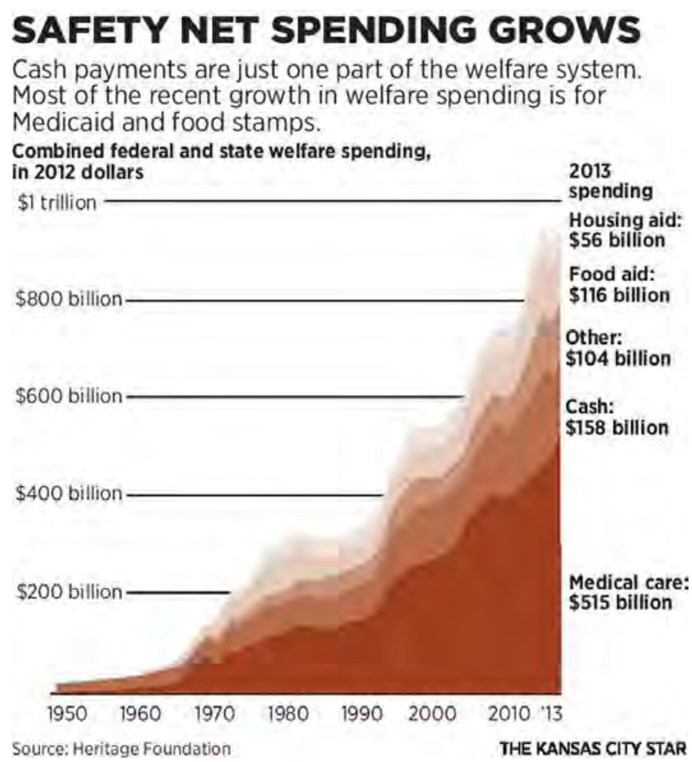
He watched nervously this spring as Kansas lawmakers passed tough new limits to the state's welfare program. Lifetime benefits were shortened. Work requirements were stiffened. Electronic withdrawals of welfare cash were capped at $25 a day.

"Every person who walks through our door," Gabriel said, "is concerned about these cuts."

Such worries are familiar. They surfaced after welfare was changed in the mid-1990s, when strong work requirements and time limits first passed Congress.

But advocates on the left and right now think the stiffer welfare laws in Kansas, and legislation in Missouri that also shortens lifetime welfare benefits, might actually reflect something new. They say the welfare crackdown may be the blueprint for a growing, state-based effort to refashion the entire support system for the poor, from food stamps and housing to health care.

Kansas and Missouri may be ground zero in an approaching, state-centered war on poverty programs — at least as they exist today.



"It's all a part of undermining the safety net, and undermining support for the safety net," said Liz Schott of the Center for Budget and Policy Priorities, a left-of-center Washington think tank. "They're shredding it, and shredding it with impunity."

Republicans and conservative groups working on the overhaul don't necessarily dispute her conclusion. The states are trying to shred the social safety net, they say, because it *deserves* to be shredded — it's too costly, too complicated, and hasn't reduced poverty or dependence on government handouts.

"Giving people something for nothing harms the recipient," said Robert Rector of the Heritage Foundation, a conservative think tank in Washington, D.C. "I really have to commend the people at the state level who are willing to take these issues on."

Withholding welfare

States are tackling welfare first because it's the easiest target.

Most of their attention this year focused on reforming the program known as Temporary Assistance for Needy Families, or TANF. The federal government spent $17 billion on TANF in 2014 to provide cash assistance, job training, child care and other benefits to roughly 4 million Americans who qualify, including 3 million children.

The money is sent to each state as a block grant. Subject to broad guidelines, states are free to fashion their own requirements for TANF clients. States must nearly match the federal grant money in order to get the federal cash, adding $15 billion more to the pot.

But direct TANF payments are not large. A three-member family in Missouri gets $292 a month in cash benefits, or about $23 per person per week. The cap for a three-member family in Kansas is $429 a month.

Those caps — and regulations requiring work, while limiting the time a client can get TANF help — have dramatically cut the welfare rolls in the two states. In December 2013, 18,291 Kansans received TANF help, federal figures show, while 77,551 Missourians were TANF clients. That's half as many welfare recipients as 20 years ago.

But because benefits are limited and client lists are tight, the two states don't save enormous amounts of money by further cutting TANF. Even supporters of the cuts say the restrictions are more about incentives for work than about saving taxpayer dollars.

Kansas state Rep. Scott Schwab, an Olathe Republican, said the TANF crackdown in his state — including prohibitions on spending welfare cash at theme parks and nail salons — teaches a necessary lesson.

"It's not about saving money," he said. "We're taking measures to make sure those dollars are going to feed (children) in a healthy manner, as opposed to a parent using it to go on vacation."

Mike Rathbone of the conservative Show Me Institute in Missouri said some people truly need taxpayer help.

"(But) you can't have a program that's open to everybody," he said. "That will crowd out the people who do need help."

Democrats see a more sinister goal: ending welfare entirely.

"It's all ideology," said Missouri state Rep. Brandon Ellington, a Kansas City Democrat. "They're not worried about the long-term effects on the safety net. … It's horrific."

Schott of the Center for Budget and Policy Priorities called the new rules in Kansas and Missouri ugly.

"It's responding to perceived abuses that aren't real," she said.

Testing ground

The new restrictions, promoted by the American Legislative Exchange Council and other conservative groups, aren't limited to Kansas and Missouri. Lawmakers in Arizona recently capped TANF benefits at 12 months, much shorter than the 36-month cap in Kansas, the 45 months in Missouri — or the 60 months allowed under federal law.

Michigan is pondering TANF cuts for families with truant students. Maine recently capped the time welfare benefits can be collected. Wisconsin is considering tougher rules.

Yet the new laws in Kansas and Missouri have drawn national attention. Those who work with poverty programs say the two-state region might serve as a proving ground for an eventual conservative challenge to broadly available programs such as food stamps, Medicaid, unemployment insurance and tax benefits for those in poverty.

"It's all exportable," said the Heritage Foundation's Rector. "A small number of states are becoming pathfinders again."

The 2015 federal budget proposed by U.S. Rep. Paul Ryan, a Wisconsin Republican, suggests combining nearly a dozen federal safety net programs into a block grant similar to TANF.

"This budget applies the lessons of welfare reform to other federal aid programs," the Ryan proposal says. "It gives states more flexibility to tailor programs to their people's needs."

Food stamps and Medicaid are among the programs Ryan would block grant to the states. Allowing states to restrict food stamps or Medicaid, as they've cut TANF, could save enormous amounts of money. The government spends $80 billion annually on food stamps and $440 billion Medicaid.

The food stamp program, known as SNAP, already includes some restrictions on purchases. And the 2015 TANF law in Kansas includes some new restrictions on food stamps, including a measure permanently banning drug felons from getting food stamps in the state.

Yet serious benefit reductions in food stamps or Medicaid probably would provoke a bigger political backlash than cuts to TANF, because so many people use those programs. More than 317,000 Kansans get food stamps, as do nearly 1 million Missourians.

So some Republicans who supported tougher welfare rules this year hesitate when asked whether block grants for bigger programs are in the works.

"TANF is temporary. Food stamps may not be," said Kansas state Sen. Greg Smith, an Overland Park Republican.

Kansas state Sen. Kay Wolf, a Prairie Village Republican, voted for the TANF restrictions but called her decision difficult and not easily applied to other poverty programs.

"You want to protect the people who are deserving," she said. "Maybe we should see how this bill works."

There are also signs other Republicans think the recent cuts went too far.

Washington has already complained about the Kansas rule limiting TANF recipients to $25 cash withdrawals using their electronic benefits card. The law may cut too deeply into the recipients' available funds, violating federal regulations.

Lawmakers in Kansas said last week they're likely to fix the problem before they adjourn this year. The limit, they say, will probably be restored to $60 a day.

The state's tax dilemma may also become entangled with welfare reform. Some Kansas lawmakers want to eliminate the earned income tax credit, a program that provides cash refunds to the working poor. The state spends $50 million on the credit each year, money that might help cover a $400 million deficit.

But Kansas counts that $50 million as part of its TANF match. If the tax credit is ended, the entire federal welfare grant could be lost.

Democrats say those complications suggest states should approach welfare reform slowly. The idea that the poor are wasting their funds on luxuries like steak or vacations, they say, is a caricature.

"That's not what's being purchased," said Missouri state Rep. Gail McCann Beatty of Kansas City. "It's like kicking someone when they're already down."

To reach Dave Helling, call 816-234-4656 or send email to dhelling@kcstar.com.

CCS/HCS/SS#2/SCS/SB 24 - This act, known as the "Strengthening Missouri Families Act," modifies provisions of the Temporary Assistance for Needy Families (TANF) program and the Supplemental Nutrition Assistance Program (SNAP).

FULL FAMILY IMMEDIATE SANCTION (Section 208.026)

This act requires the Department of Social Services to conduct an investigation and determine if a person is cooperating with a work activity requirement under the TANF program. If the person is non-compliant, a representative of the Department shall conduct a face-to-face meeting and explain the potential sanction of TANF benefits, as well as the requirements to cure such a sanction. The TANF recipient shall then have 6 weeks to comply with the work activity requirement, during which time no sanction of benefits shall occur. Failure to comply with the requirements within the 6 week period will result in a sanction consisting of a 50% reduction of benefits for a maximum of ten weeks. During that period of sanctions, the person shall remain on the caseload in sanction status and the Department will attempt to meet face-to-face to explain the sanction and the requirements to cure the sanction. To cure a sanction, the person shall perform work activities for a minimum average of 30 hours per week for one month. If the person does not cure the sanction, the case shall be closed. This act allows for the person to reapply for benefits by completing work activities for a minimum average of 30 hours per week within one month of the eligibility interview.

This provision is substantially similar to provisions in HB 654 (2015) and HCS/HB 654 (2015).

LIFE-TIME LIMITS, CASH DIVERSION, WORK REQUIREMENT, PROGRAM ORIENTATION, AND NEW SPOUSES (208.026 & 208.040)

The following changes shall be made to the TANF program:

(1) Beginning January 1, 2016, the life-time limit for TANF shall be 45 months. This limit shall not apply to minor children and those families who have been granted a hardship exemption;

(2) Beginning January 1, 2016, the Department shall implement a cash diversion program that grants eligible TANF recipients lump-sum cash grants for short-term needs, as well as job referrals or referrals to career centers, in lieu of signing up for the long-term monthly cash assistance program and upon a showing of good cause. This lump sum benefit shall not apply toward the life-time TANF benefits limit. Good cause may include loss of employment, excluding a voluntary quit or dismissal due to poor job performance; catastrophic illness; domestic violence; or other emergencies rendering a family member unable to care for the basic needs of the family. The lump-sum maximum limit shall be

set at three times the family size allowance and for use once in a 12-month period and for only five instances in a lifetime;

(3) The Department shall develop a standardized program orientation for TANF applicants that informs applicants of the program's rules and work requirements, as well as the consequences if the work requirements are not met. The Department shall not issue a case without receiving confirmation that TANF applicants have undergone an orientation and have signed a participation agreement;

(4) A new spouse's income and assets shall be disregarded for six consecutive months. This disregard shall be applied once in a recipient's lifetime; and

(5) Beginning January 1, 2016, parents or caretakers seeking benefits will be required to engage in work activities before becoming eligible, unless otherwise exempt from the work requirement.

These provisions are identical to provisions in HB 654 (2015) and similar to provisions in HB 624 (2015) and HCS/HB 624 (2015).

MARRIAGE, FATHERHOOD, AND ALTERNATIVES TO ABORTION SERVICES (208.067)

Each fiscal year, the Department shall set aside a minimum of 2% of TANF funds, consistent with federal law and subject to appropriations, to fund alternative to abortion services and public awareness programs, as well as a minimum of 2% of TANF funds for healthy marriage and responsible fatherhood promotion activities. These funds shall be used to supplement and not supplant current and future funding for these programs.

This provision is substantially similar to a provision in HCS/HB 654 (2015).

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (208.244.1)

The Supplemental Nutrition Assistance Program allows states with a certain level of unemployment to seek a waiver of the work requirement for assistance. Missouri currently has such a waiver. Beginning January 1, 2016, this act removes the waiver and reinstates the work requirements.

This provision is substantially similar to HB 640 (2015) and provisions in SCS/HCS/HB 796 (2015) and similar to HB 547 (2015), HCS/HB 547 (2015), and HB 1283 (2015).

APPLICATION OF SAVINGS (208.244.2)

Any savings resulting from the changes to TANF and SNAP under this act shall be used to provide child care assistance for single parents, education assistance, transportation assistance, and job training for individuals receiving benefits under the programs as allowable under law.

This provision is substantially similar to HB 640 (2015) and SCS/HCS/HB 796 (2015) and similar to provisions in HCS/HB 796 (2015), HB 796 (2015), and HCS/HB 547 (2015).

ANNUAL REPORT (208.244.3)

The Department of Social Services shall make an annual report to the Joint Committee on Government Accountability on the progress of implementation and include specified data. The Joint Committee shall meet at least once a year to review the report and make recommendations to the President Pro-Tempore of the Senate and the Speaker of the House.

Robert Wood Johnson Foundation
URBAN INSTITUTE
HEALTH POLICY CENTER

The Combined Effect of Not Expanding Medicaid and Losing Marketplace Assistance

Matthew Buettgens, Linda J. Blumberg, and John Holahan

Timely Analysis of Immediate Health Policy Issues

MAY 2015

In-Brief

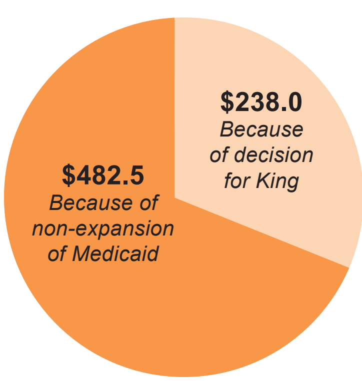
Following a 2012 Supreme Court decision, states can decide whether or not to expand Medicaid eligibility under the Affordable Care Act. As of April 2015, 21 states have not done so. All but one of those states have also chosen not to run their health insurance marketplaces themselves, leaving the federal government some or all of the associated responsibilities. If the Supreme Court finds for the plaintiffs in King v. Burwell, residents in those states would lose access to premium tax credits and cost-sharing reductions.

The combined effect of not expanding Medicaid and losing federal support for marketplace coverage for the low-income population would be dramatic for the 20 states affected by both decisions:

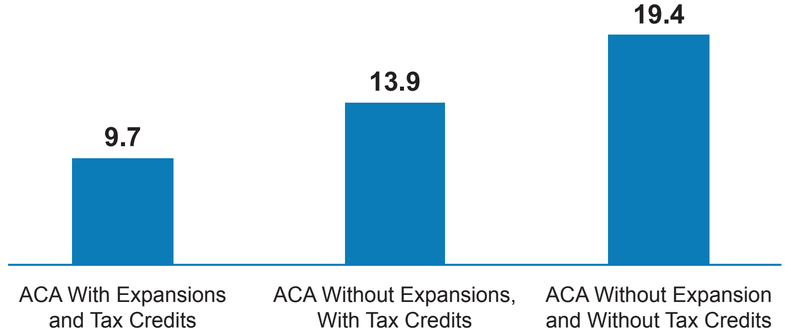
- If all expanded Medicaid and the tax credits were in place, there would be 9.7 million people uninsured in these 20 states in 2016. Without the Medicaid expansion, 13.9 million people (4.2 million more) will be uninsured. If the Supreme Court finds for the plaintiffs in the King case, the number uninsured in these states will rise to 19.4 million, in total an additional 9.8 million uninsured.
- By not expanding Medicaid, those states forgo $41 billion in federal health care spending in 2016. Loss of marketplace financial assistance because of King v. Burwell would lead to a further loss of $21 billion for that year, totaling a loss of $61 billion in federal funds in 2016.
- Assuming that marketplace financial assistance is lost without a replacement in the next 10 years and assuming those states do not choose to expand Medicaid during that time frame, the loss in federal spending from 2016 to 2025 caused by King v. Burwell would be $238 billion in addition to $483 billion in federal spending lost from the states not expanding Medicaid, a total of $721 billion.

$721 Billion in Federal Spending Lost from 2016 to 2025 and 9.8 Million Additional Uninsured in 2016 in 20 Medicaid Nonexpansion States if the Supreme Court Finds for the Plaintiffs in King v. Burwell

Federal Spending Lost (Billions)
2016 to 2025



Uninsured (Millions)
2016



Introduction

A central goal of the Patient Protection and Affordable Care Act (ACA) is to significantly reduce the number of uninsured by providing affordable coverage options through Medicaid and the new health insurance marketplaces. In 20 states that hold 39 percent of the U.S. population, the intended gains from both of these sources of coverage are in jeopardy.

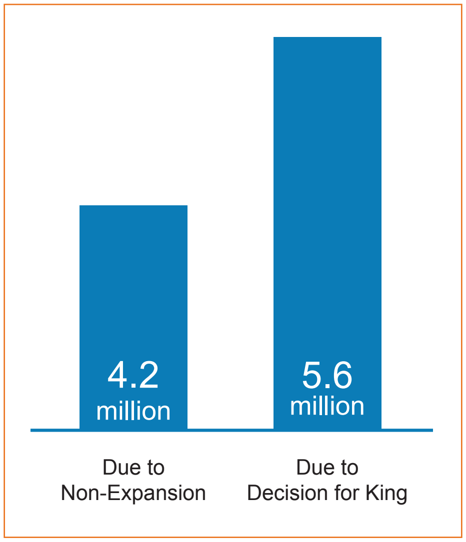
Following a 2012 Supreme Court decision, states can choose whether or not to expand Medicaid eligibility under the ACA to those with income below 138 percent of the federal poverty level. As of April 2015, 21 states have not done so. The most recent state to adopt the Medicaid expansion was Montana, whose expansion will require federal waiver approval to be implemented. Of the states that have not expanded Medicaid, all but Idaho have also chosen not to take full responsibility to run the health insurance marketplaces in their states. Consequently, the federal government takes partial or full responsibility for these marketplaces which are generally called federally facilitated marketplaces (FFMs). This puts the availability of premium tax credits and cost-sharing reductions for marketplace coverage at risk if the Supreme Court finds for the plaintiffs in King v. Burwell. The plaintiffs argue that wording in the text of the law prohibits the federal government from providing financial assistance to moderate-income individuals if the state in which those individuals live does not establish its own marketplace.

In this brief, we look at the 20 states that have chosen not to expand Medicaid eligibility and would be affected by a court finding for the plaintiffs. We estimate the combined effect of (1) not expanding Medicaid and (2) losing financial assistance for marketplace coverage. We estimate the resulting combined increase in the number of uninsured people and the loss of federal spending on health care in each state. The Medicaid expansion results are taken from our recent report that treats the issue in greater detail.[1] The effect of King v. Burwell is taken from a brief we published in January that was cited in the US Solicitor General's brief on the case and at least a dozen amicus briefs.[2]

Results

In 2016, we estimate that 4.2 million people in 20 states will be uninsured because those states did not expand Medicaid (Figure 1 and Table 1). An additional 5.6 million people in those states would become uninsured if marketplace financial assistance were eliminated and the states' private nongroup health insurance markets were destabilized as a result. The combined effect of these two circumstances is 9.8 million more uninsured people in 2016 than would otherwise be the case. Of this 9.8 million additional uninsured, 2.5 million people live in Texas and 1.8 million live in Florida (Table 1), the most populous of the states affected. Georgia and North Carolina would have 824,000 and 719,000 additional uninsured people, respectively; Missouri and Virginia would have over 400,000 additional uninsured people, and Alabama, Louisiana, and South Carolina would have over 300,000.Even in states with small populations, such as Wyoming and Alaska, the lack of a Medicaid expansion and a finding for the plaintiffs would mean more than 50,000 additional uninsured people.

Figure 1. Additional Uninsured as a Result of not Expanding Medicaid and Loss of Marketplace Financial Assistance, 2016



To put these estimates in the context of all uninsured people, we estimate that without the ACA, 21.9 million people in the 20 states would have been uninsured in 2016 (Figure 2). This represents 20.7 percent of the total nonelderly population in those states. Were these states to expand Medicaid along with the other financial assistance and other reforms currently provided under the ACA, the number of uninsured would be cut by more than half to 9.7 million, and the uninsured would constitute only 9.1 percent of the population. Even without the Medicaid expansion, the ACA is still estimated to reduce the number of uninsured to 13.9 million, or 13.1 percent of the population, in 2016. This reduction occurs largely because of the introduction of health insurance marketplaces with financial assistance to moderate-income families, as well as the individual mandate and an array of insurance market reforms. Without Medicaid expansion or marketplace financial assistance, however, the number of uninsured would rise to 19.4 million people in 2016, or 18.3 percent of the population.

We estimate that the 20 states will forgo a total of about $41 billion in federal spending in 2016 because they did not expand Medicaid (Table 2). This is the amount that the federal government would spend on those who would newly enroll in Medicaid if their state were to expand eligibility. In addition, there would be $21 billion in lost federal spending on premium tax credits and cost-sharing reductions for residents of these same states if the Supreme Court finds in favor of the plaintiffs.

Over 10 years, from 2016 to 2025, not expanding Medicaid would cost these states $483 billion in federal spending (Figure 3 and Table 3). If the Supreme Court finds for the plaintiffs in King v. Burwell and the marketplace financial assistance is not restored by Congressional or state action, it would lead to additional losses of $238 billion over those 10 years, a total of $721 billion in lost federal spending in those states.

Figure 2. Rate and Number of Uninsured in 20 FFM States Not Expanding Medicaid, 2016

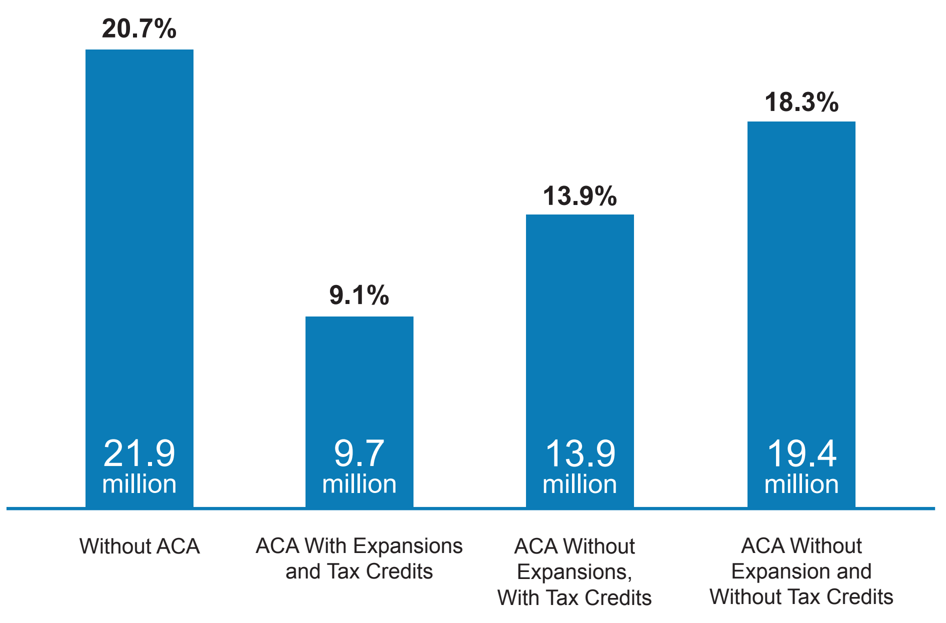
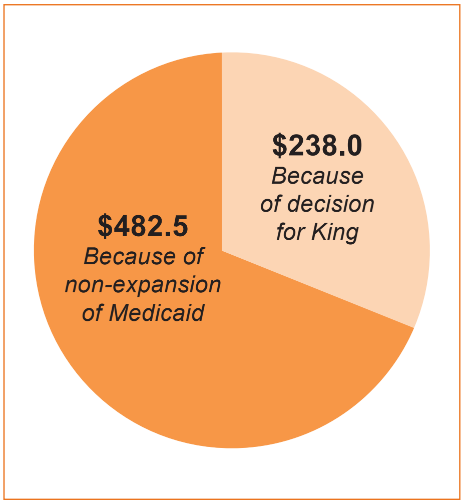


Figure 3. $721 Billion in Federal Spending Lost in 20 FFM States Not Expanding Medicaid, 2016 to 2025



These losses range from $5 billion in Maine to $127 billion in Florida to $185 billion in Texas.

Conclusion

Lower rates of insurance coverage and reduced federal funding for health care have significant implications for the states analyzed. In projections of the effect of Medicaid expansion published in 2013, we concluded that "the economic case for Medicaid expansion for state officials is extremely strong."[3] There is growing evidence that the benefits of Medicaid expansion that we and others projected were realized in 2014:

- *Increased health coverage.* Several surveys have shown notable decreases in the number of uninsured, particularly in states that have expanded Medicaid.[4]
- *Lower hospital uncompensated care spending.* A study by the Colorado Hospital Association finds that hospitals in Medicaid expansion states saw overall declines in self-pay and charity care and hospitals in nonexpansion states saw no change beyond normal variation.[5] The U.S. Department of Health and Human Services estimates that uncompensated care was $7.4 million lower in 2014 than it would have been without the ACA, with $5.0 million of that reduction going to Medicaid expansion states.[6]
- *Reduced state spending on the uninsured.* Recent analysis of eight Medicaid expansion states finds that all of them were able to reduce state spending on the uninsured.[7]
- *Other state savings.* States that have expanded Medicaid have already begun to realize savings that offset the additional costs due to increased enrollment. Kentucky and Arkansas report net savings to the state through at least 2021.[8] Washington also reports net savings, but projections are not available that far in the future.[9]

The overall economic effect of Medicaid expansion is harder to measure directly and will take longer than a year to develop. Economic impact studies are available for many of the states that have not expanded eligibility.[10] For example, it was projected that Medicaid expansion in North Carolina would create 23,000 new jobs, increase annual gross domestic product by $1.4 billion, and increase real disposable personal income by $1 billion. We estimate that in the event of a Supreme Court finding for the plaintiffs in King v. Burwell, the amount states would lose in spending on marketplace assistance over the next 10 years would be nearly half of the amount that the states will forgo by not expanding Medicaid. Thus the loss of marketplace financial assistance would mean a further loss of jobs and lower state gross domestic product. In addition, states with insurer or provider taxes could see additional declines in revenue as enrollment in private nongroup coverage drops both inside and outside the marketplaces.

The 20 states in our analysis represent almost three-quarters of all 2015 enrollment through healthcare.gov.[11] They also include the top five states in enrollment relative to our projections among states using healthcare.gov: Florida, North Carolina, Maine, Virginia and Georgia. There were gains in health coverage in 2014 even among states that did not expand Medicaid, and the marketplaces played an important role in those gains.[12] We estimate that the number of people who would become uninsured if marketplace financial assistance ceased would be higher than even the number of uninsured people who would gain coverage if their state were to expand Medicaid (5.6 million versus 4.2 million). Those losing coverage under a decision for the plaintiffs in King v. Burwell would include many people losing private coverage who did not receive tax credits as well as those who were eligible for tax credits that partially subsidized their premiums. By contrast, those gaining Medicaid coverage would have all or nearly all of their health care paid for through Medicaid. Thus, Medicaid expansion would lead to a larger change in federal spending than a decision for the plaintiffs in King v. Burwell, even though the number of uninsured attributable to not expanding Medicaid is smaller than the increase in uninsured due to a finding for King.

That increase in the number of uninsured and consequent rise in uncompensated care is of particular concern to hospitals because the ACA reduces Medicare fee-for-service hospital payments and reimbursement for disproportionate share hospitals. The original intent of the ACA was that these reductions would be offset by increased spending for the care of people gaining insurance coverage through Medicaid or Marketplace coverage with tax credits. By increasing the number of uninsured people, a decision for the plaintiffs would reduce this offset or even cut reimbursement further in affected states that have not expanded Medicaid eligibility.[13]

States that have not expanded Medicaid have the most to lose in the King v. Burwell decision if they are not already running their own marketplaces, because people with incomes between 100 and 138 percent of the FPL would not get any assistance in affording health care. The adverse effects of both not expanding Medicaid and losing access to financial assistance for marketplace coverage would affect state residents, health care providers, insurers and state governments.

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