



Missouri Capitol Report

February 5, 2021

Weekly Overview: On Monday of this week, Governor Parson sent a three-page letter to the House of Representatives expressing his displeasure with the events surrounding his State-of-the-State address. In the letter, Parson accused House leadership of engaging in a "purposeful and disgusting scheme" to embarrass him when they told him he could not deliver his annual address from their chamber. Understandably, the letter was not well received and has only deepened the divide between Parson and Speaker Rob Vescovo.

This week the Senate refused to be hampered by the effects of COVID on its membership and engaged in a 15-hour debate on Senate Bill 51, a bill aimed at giving liability protections against civil lawsuits due to COVID. The Senate began debate on the measure sponsored by Senator Tony Luetkemeyer (R-Platte) early afternoon on Tuesday and did not break until a compromise was reached at about 5:00 a.m. on Wednesday. The bill will still need a final vote and the adoption of the emergency clause which will require 23 Republican votes before it can be sent to the House for consideration. The passage of the liability bill clears the way in the Senate for other priorities including education reform and workforce development.

On the other side of the building, the House worked on a measure that would prevent local law enforcement from enforcing some federal gun laws. The measure sponsored by Rep. Jered Taylor (R-Republic) is [House Bill 85](#) and is titled the "Second Amendment Preservation Act". The measure aims to empower "Missouri's ability to self-govern without control by the federal government." The bill was Third Read and Passed on Thursday and sent to the Senate where it awaits opposition from Senate Democrats.

In the news...

- A federal grand jury has indicted State Rep. Tricia Derges, R-Nixa, for allegedly selling fake stem cell treatments at medical clinics that she operates in southwest Missouri's Springfield, Branson, and Ozark. A 20-count federal indictment unsealed this week accuses Derges of marketing the "treatments" that turned out to be sterile amniotic fluid. The investigation began after she gave false or misleading statements last April to a Springfield television station about potentially using stem cells to treat COVID-19. Speaker Vescovo has asked Rep. Derges to resign her House seat, but so far the newly elected lawmaker has refused.

- Missouri Supreme Court Judge Laura Denvir Stith plans to retire effective March 8. She was appointed to the high court in 2001 and served as chief justice from 2007 to 2009. A press release today from the State Supreme Court says Stith is the second woman ever to serve on the court. “I hope that in some small way my service over the last 20 years has continued to be a model for women lawyers and other minorities throughout Missouri that the court system of Missouri is open to all those who wish to serve, whatever their gender, race, ethnicity or type of legal practice,” Stith says.
- Justice George Draper gave his annual State of the Judiciary speech virtually Tuesday. As Missouri celebrates its 200th anniversary this year, Missouri Supreme Court Chief Justice told state lawmakers the perspective of the past can give us strength to endure the present situation and give hope for our future despite the challenges brought about by the COVID-19 pandemic.
- House Transportation Chairwoman Becky Ruth this week filed a much anticipated bill relating to increasing funds for transportation infrastructure. The bill would raise the gas tax by ten cents over five years and contains provisions that would allow citizens to receive a rebate of the increased taxes paid if properly documented. Many stakeholders supporting additional funding for MoDOT are supporting this concept which is modeled after a law passed in South Carolina. Some believe that the rebate provision will lessen resistance to passage of the bill by the legislature, thus negating the need to submit the measure to a vote of the people. The bill is HB 1044 and the text can be found here:
<https://www.house.mo.gov/billtracking/bills211/hlrbillspdf/2119H.01L.pdf>

BUDGET UPDATE: This week both the House Budget and Senate Appropriations began hearing from the thirteen departments regarding the FY2022 budget requests with the governor’s recommendations. A department of particular interest to the House Committee on Budget was the Department of Social Services. Specifically, MO HealthNet Director Todd Richardson reporting to the committee regarding the impending expansion of Medicaid. Medicaid expansion will cover persons age 19-64 with income under 133% FPL (federal poverty level) plus 5% applicable family size beginning July 1, 2021. DSS has decided to cover this population through the regular Missouri Medicaid program just as it currently covers non-disabled adults. Director Richardson, said “managed care is right for this population.” Dan Haug, Missouri Budget Director, has said that using managed care for low care need individuals is more costly to the state than if they were served by fee-for-service. If an individual signs up for Medicaid under expansion but does not regularly use health care services, the state still pays the Medicaid managed care company a PMPM (per member per month) per diem. Richardson explained that future rate setting for managed care populations will take that into account.

DSS estimates that 275,000 people will qualify for Medicaid under expansion which they are calling the AEG (Adult Expansion Group) with 150k enrolling in the first quarter of FY (fiscal year) 2022 starting July 1, 2021. They determined this estimate by looking at experiences of other states, particularly Virginia. Of the 275k, they think 155k are

currently uninsured, 115k are insured or underinsured and will drop that coverage and sign up for Medicaid. They predict another 5,000 are medically fragile. The budget request for Medicaid expansion is \$1,737,779,895 (\$113 million General Revenue- GR, \$1.442 billion federal, \$181 million other funds). DSS believes there will be a savings offset of \$8.5 million GR due to 5,000 individuals moving from their current coverage (65% federal match) to coverage under expansion (90% federal match). For a net GR cost of \$105 million. States cannot reduce their current GR spending on medical services when they implement Medicaid expansion due to federal maintenance of effort (MOE) requirements. Included in the cost estimate for expanding Medicaid is 75.5 new FTE (full-time equivalent) positions. Fifty-five additional employees will be needed to process applications in the Family Support Division (FSD), one additional staff in Medicaid Audit and Compliance, and 19.5 FTEs for MO HealthNet administration. There will be costs in the current fiscal year in order to ramp up operations, so they are ready to begin coverage for the AEG population on July 1.

SENATE FLOOR ACTIVITY:

COVID LIABILITY TORT REFORM: This week the Senate Perfected SB 51, sponsored by Senator Tony Luetkemeyer (R-Parkville) and SB 42, sponsored by Senator Bill White (R-Joplin). The bills establish provisions relating to civil actions arising from COVID-19 and create liability protections for healthcare entities, schools, churches, and manufacturers/distributors involved in shipping and/or handling pandemic related products. After a 15-hour filibuster beginning on Tuesday afternoon and continuing through the morning hours of Wednesday, the Senate finally agreed to compromise language relating to medical malpractice. During debate, Senator Steven Roberts (D-St. Louis) further amended the bill to clarify punitive damages outlined in the bill will only apply to COVID related cases. Lastly, Senator Sandy Crawford (R-Buffalo) amended the bill removing liability from any religious organization in the event of any COVID exposure, unless a plaintiff can prove intentional misconduct. The measure was Perfected with a voice vote. The bill is currently on the Senate Calendar – Senate Bills for Third Reading. This bill also contains an Emergency Clause which requires a 2/3rds majority vote for passage.

Committee Hearings of Interest:

SHOW ME SUCCESS DIPLOMA PROGRAM: On Tuesday, the House Committee on Emerging Issues conducted a public hearing on HB 624, sponsored by Rep. Doug Richey (R-Excelsior Springs). This bill establishes the "Show Me Success Diploma Program" as an alternative pathway to graduation for high school students. Students may earn the Show Me Success Diploma beginning at the end of a student's tenth grade year. By July 1, 2022, the Department of Elementary and Secondary Education shall develop detailed requirements for students to become eligible for the Show Me Success Diploma. The full bill summary may be found here: [HB 624](#)

The sponsor said that this legislation would allow parents, students, and school districts to develop a more comprehensive educational experience and allow for adjustments once the global pandemic has ended.

Testifying in support was a representative from Excellence in Education Missouri. There was no testimony in opposition and the committee took no further action on the measure.

STATE EDUCATION SAVINGS PROGRAMS: On Wednesday, the House Committee on Financial Institutions conducted a public hearing on HB 478, sponsored by Rep. Phil Christofanelli (R-St. Peters). This bill modifies the definition of an "eligible education institution" and changes the Missouri Education Savings Program to the "Missouri Education Program".

The sponsor stated that the purpose of the bill was to ensure that Missouri would not have to update its statutes every time the federal government changed the 529 code.

Testifying in support was State Treasurer Scott Fitzpatrick who said that Congress passed legislation in the Secure Act authorizing students to use 529 accounts to pay student debt and that he doesn't want to have to keep returning to the legislature to update the statutes. He also stated that the fiscal note has been grossly overstated and is inaccurate. Also testifying in support was a representative from Missouri Chamber of Commerce and Industry.

There was no testimony in opposition and the committee took no further action.

EARLY CHILDHOOD EDUCATION SERVICES: On Wednesday, the House Committee on Children and Families conducted a public hearing on HB 865, sponsored by Rep. Brenda Shields (R-St. Joseph). This bill provides authorization for any county or city not within a county to levy a property tax to establish an early childhood education board which shall provide childhood education programs or services. The bill limits the levy to \$0.40 per \$100 of assessed valuation on real property and provides sample ballot language. The tax shall not go into effect unless approved by the qualified voters of such county or city. Under this bill, a childhood education board of directors shall consist of seven members with qualifications and structure of the board outlined in the bill. Boards established shall be empowered to establish or operate an early childhood education program or provide for early childhood education services for children under 5 years of age, with control and responsibilities outlined in the bill. The board will be determined a "political subdivision" and may impose limitations on children to be served and services to be provided, with the primary goal to expand and improve early childhood education services.

The sponsor testified that it was her intention to expand and improve early childhood services in counties by establishing a way to bring extra local dollars into communities.

Testifying in support were representatives from Aligned and Kids Win Missouri. Supporters said that federal funding and the state foundation formula is helpful but does not allocate enough resources for early childhood. They also said that this legislation would allow counties to decide what is best for their communities and that every investment in early childhood is a long-term investment in Missouri's workforce. It was

also noted that there is true shortage of childcare in Missouri as 72 counties qualify as “childcare deserts” and 5 counties do not have a single licensed facility.

There was no testimony in opposition and the committee took no further action on the measure.

HOUSE EDUCATION

The House Elementary and Secondary Education Committee met in executive session Tuesday morning to consider HB 228, sponsored by Representative Chuck Basye (R-Rochepot). The bill prevents any public school districts and charter schools from prohibiting a parent or guardian from audio recording any meeting held under the Federal Individuals with Disabilities Education Act or a Section 504 plan meeting. During discussion, substitute language was adopted. Once modified, the committee passed the bill consent by a vote of 16-0.

The House Elementary and Secondary Education Committee convened Tuesday morning to discuss HB 729, sponsored by Representative Michael O'Donnell (R-St. Louis). The bill modifies several provisions related to education. Specifically, the bill establishes the framework to allow for charter school expansion. Additionally, establishes the Missouri Empowerment Scholarship Accounts Program and specifies that any taxpayer may claim a tax credit, not to exceed 50% of the taxpayer's state tax liability, for any qualifying contribution to an educational assistance organization for all tax years beginning on or after July 1, 2022. The cumulative amount of tax credits issued in any one calendar year shall not exceed \$50 million. Lastly, the bill establishes the framework for virtual education. The sponsors intent with the legislation is to provide parents with more options. Numerous parents, along with the American Federation for Children and Independence School District provided supporting testimony. The MO NEA, MO School Board Association, and Superintendents Association provided opposing testimony.

The House Elementary and Secondary Education Committee convened Tuesday morning to discuss HB 942, sponsored by Representative Mike Haffner (R-Pleasant Hill). The bill modifies the public school accreditation and statewide assessment system and allows for the statewide assessment system to track student performance from different schools if a student has transferred from one school to another. Additionally the bill establishes guidelines and framework for annual reporting requirements. No supporting testimony was provided. The MO NEA provided opposing testimony, expressing concern with changes to the accreditation system that would base district and school building accreditation on student test scores.

SENATE EDUCATION

Meetings: The Senate Education Committee met Tuesday afternoon to discuss SB 134, sponsored by Senator Cindy O'Laughlin (R-Shelbina). The bill permits recording certain meetings by a student's parent or legal guardian. No supporting or opposing testimony was provided.

MO Course Access: The Senate Education Committee met Tuesday afternoon to discuss SB 95, sponsored by Senator Bob Onder (R-Lake St. Louis). Currently, students enrolled in the Missouri Course Access and Virtual School Program are included in the student enrollment of the school district in which the student physically is enrolled. The bill modifies the calculation and distribution of the state school aid by requiring DESE to pay any Missouri Course Access and Virtual School Program an amount equal to the average daily attendance for the student's district of residence for any full-time equivalent students enrolled in a virtual school program. The sponsors intent with the legislation is to establish an alternative education program for students and establish the framework for state funding to follow the student instead of the district. Numerous parents, along with National Coalition for Public School Options and Connections Academy provided supporting testimony. The Superintendent of Springfield Public Schools, Independence School District, MO Association of School Administrators, Kansas City Public School District, MO NEA, and School Board Member of Nixa Public Schools provided opposing testimony,

Workforce Diploma Program: The Senate Education Committee met Tuesday afternoon to discuss SB 139, sponsored by Senator Jason Bean (R- Peach Orchard). The bill establishes the "Workforce Diploma Program" within the Department of Higher Education and Workforce Development to assist students in obtaining a high school diploma and in developing employability and career and technical skills. During bill presentation, the sponsor stated he wanted to be able to provide additional options for students. The Graduation Alliance, MO Chamber of Commerce and MO Charter School Foundation provided supporting testimony. No opposing testimony was provided.

Charter school: The Senate Education Committee met Tuesday afternoon to discuss SB 218, sponsored by Senator Tony Luetkemeyer (R-Parkville). The bill modifies the calculation of the amount a school district with one or more pupils attending a charter school shall pay to the charter school. For school years beginning on or after July 1, 2021, each charter school and each school district responsible for distributing local aid to charter schools shall include as part of their annual independent audit, an audit of pupil residency, enrollment, and attendance in order to verify pupil residency in the school district or local education agency. The sponsors intent is to have local dollars follow the students. The Confluence academies, along with child advocacy groups, parents provided supporting testimony. Educational entities, including teachers and administrators, opposed the legislation stating the bill currently does not provide any oversight or ability to hold charter schools accountable.

Opposed:

Kansas City Public Schools, St. Louis Public Schools, MO School Board Association, American Federation for Teachers in MO provided opposing testimony.

UPCOMING HEARINGS OF INTEREST:

Committee: [Elementary and Secondary Education](#)

Chair: [Chuck Basye \(47\)](#)

Date: Tuesday, February 9, 2021 - **Upcoming**

Time: 8:00 A.M.

Location: House Hearing Room 7

Note: Please note additional procedures will be in place due to the COVID-19 pandemic: All entrants to the capitol building will be required to submit to screening questions and physical screening. Members of the public must enter the building using the south entrance. Public seating in committees will be socially distanced and therefore limited. Committee hearings will be streamed. Links may be found at <https://www.house.mo.gov>.

Executive session may be held on any matter referred to the committee.

HB 303 -- ADMISSION OF NONRESIDENT PUPILS

Sponsor: [Wiemann, John \(Rep-103\)](#)

Establishes transfer procedures to nonresident districts for students in public schools

HB 543 -- PUBLIC SCHOOL TRANSFERS

Sponsor: [Pollitt, Brad \(Rep-052\)](#)

Establishes transfer procedures to nonresident districts for students in public schools

HB 387 -- BEHAVIORAL INTERVENTIONS

Sponsor: [Bailey, Dottie \(Rep-110\)](#)

Modifies provisions relating to seclusion and restraint policies in public schools

Executive Session will be held on the following bills:

HB 942 -- SCHOOL ACCREDITATION CLASSIFICATIONS

Sponsor: [Haffner, Mike \(Rep-055\)](#)

Changes requirements for school accreditation classifications

HB 349 -- EMPOWERMENT SCHOLARSHIP ACCOUNTS

Sponsor: [Christofanelli, Phil \(Rep-105\)](#)

Establishes the "Missouri Empowerment Scholarship Accounts Program."

Committee: [Budget](#)

Chair: [Cody Smith \(163\)](#)

Date: Tuesday, February 9, 2021 - **Upcoming**

Time: 8:15 A.M.

Location: Chamber

Note: Added HB 137. Budget presentations from the Department of Economic Development and Department of Transportation. Guest seating will be available in the upper gallery located on the 4th floor. No public testimony will be taken at this hearing. Please note additional procedures will be in place due to the COVID-19 pandemic: All entrants to the Capitol Building will be required to submit to screening questions and physical screening. Members of the public must enter the building using

the south entrance. Public seating in committees will be socially distanced and therefore limited. Committee hearings will be streamed live and links may be found online at <https://www.house.mo.gov>.

Executive session may be held on any matter referred to the committee.

Executive Session will be held on the following bills:

[HB 137 -- CHARTER SCHOOL FUNDING](#)

Sponsor: [Richey, Doug \(Rep-038\)](#)

Changes provisions related to funding for charter schools

-End of Report-