



Capitol Report **March 12, 2021**

Weekly Overview: With the writing of this report, the legislative spring break has begun. Both the House and Senate will be off all of next week and will return to Jefferson City on Monday, March 22nd. There will not be a legislative report next week.

On Monday, the Senate found itself bogged down with a bill sponsored by Senator Bill Eigel that would virtually eliminate personal property taxes. The controversial bill quickly became an omnibus tax bill containing several major tax cuts and reforms. After hours of debate the bill the Senate verbally adopted a floor substitute and then defeated the bill on Perfection by a vote of 13-18. This unprecedented act raised the ire of Senator Eigel and other members of Conservative Caucus.

On Tuesday, Senator Dave Schatz (R-Franklin) began debate on his priority legislation designed to increase taxation on motor fuels to fund transportation infrastructure. This bill was quickly locked up by the conservative caucus and debate went late into the evening. Around midnight Senate Republican and Democrat leaders struck a compromise on a tentative deal that would allow the gas tax bill and the Internet sales tax (Wayfair) bill to come to a vote without substantive changes. The agreement also allowed Senator Eigel to reconsider his personal property taxation bill. On Wednesday, the tentative deal came to fruition and the gas tax and Wayfair bills were Perfected. On Thursday, the Senate sent those bills to the House and Senator Eigel was able to reconsider his bill which he then laid over to be debated after the spring break.

In stark contrast, the House efficiently worked through over a dozen bills on the Perfection Calendar and sent a number of bills to the Senate for consideration. Of note, the House worked on two large education bills, a bill changing the threshold to pass an initiative petition, and legislation that makes significant changes to the state's election laws. The House also Perfected their own version of a bill seeking to allow the collection of online sales taxes. The House version of Wayfair differs from the Senate version as it contains a provision which would cause cities and counties to go to the voters to approve a use tax, even if they have already have one in place.

When the House returns after their break, we expect them to focus mainly on getting their version of the State's \$32.2 billion budget finalized and sent to the Senate. The constitutional deadline for the budget is May 7th.

In the news

- The blockbuster announcement by U.S. Senator Roy Blunt that he will not seek re-election next year was the talk of the state capitol this week as pundits began speculating on who might be the Republican nominee. Secretary of State Jay Ashcroft, Attorney General Eric Schmitt, and Lt. Governor Mike Kehoe are all in mid-term next year and could run and lose without forfeiting their current office. Secretary Ashcroft announced on Wednesday that he would not seek the nomination. Others prominently mentioned include former Governor Eric Greitens, businessman John Brunner, Congressman Billy Long, Congressman Jason Smith, Congresswoman Ann Wagner and Congresswoman Vicky Hartzler.
- This week, Missouri Attorney General Eric Schmitt announced 102 criminal charges against a husband and wife team who owned the now defunct Circle of Hope Girls Ranch located in Southwest Missouri's Humansville. The faith-based boarding home owners are charged with various crimes including abuse, child molestation and rape. Schmitt described the alleged wrongdoings as "extensive and horrific".
- This week, the Missouri Department of Health and Senior Services announcement that over one million Missourians have received at least one dose of the COVID-19 vaccine and over 530,000 have received two doses.
- Missouri state and local governments will receive an estimated \$2.5 billion in direct federal aid and over \$1 billion more through an uptick in federal funding of Missouri Medicaid Program from the latest pandemic stimulus program approved by Congress.

BUDGET UPDATE: This week the House Committee on Budget heard a presentation from Budget Director Dan Haug regarding the Governor's amendment to HB 15, the supplemental budget bill. The Governor has made the following recommendations:

1. An additional \$100 million in spending authority for MoDOT projects,
2. An additional \$950,000 in federal funding for public transit with \$500,000 dedicated to small, urban, and rural transit, and,

\$10 million for training and helping providers for COVID-19 vaccine distribution.

The full budget committee also received training this week regarding the amendment and mark-up process. It is expected they will begin submitting amendments to Chairman Cody Smith upon their return from legislative Spring Break with full mark-up beginning March 29th.

Finally, the Senate Appropriations Committee and the House Budget Committee heard legislation creating the 2021 Federal Economic Stimulus Fund (HB 1236). This bill creates the "2021 Federal Economic Stimulus Fund", which will consist of all moneys received in the state treasury under the American Rescue Plan of 2021, or any subsequent economic stimulus or budget stabilization plan as enacted by the 117th United States

Congress on or after March 1, 2021, and on or before December 31, 2021, which are not required to be allocated to other funds. The State Treasurer will be custodian of the fund and may approve disbursements from the fund in accordance with current law. Any moneys remaining in the fund at the end of the biennium will not revert to the credit of the General Revenue Fund. The State Treasurer will invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments will be credited to the fund. The State Treasurer is hereby authorized to create or re-designate funds as necessary to avoid conflict with federal law prohibiting commingling of certain funds derived from any federal act under this bill. This bill has an emergency clause. The bill was voted “do pass” 26-0 and has been referred to the House Committee on Rules-Administrative Oversight.

EDUCATION OMNIBUS: This week the Senate Third Read and Passed 34-0 SS SCS SB 152, sponsored by Sen. Denny Hoskins (R-Warrensburg). This act modifies several provisions relating to education. Its main provisions are:

1. Show-Me Success Diploma Program
2. Information to be published on Department website
3. Competency based education
4. Annexation of school districts
5. Gifted Education
6. Missouri Education Savings Program
7. Students with Epilepsy and Seizure disorders
8. Missouri Western University – repeals provisions of current law setting forth the requirement that two of the eight voting members of the Board of Governors for Missouri Western State University be selected from any of the counties in the state outside of the counties set forth under current law. It also removes the cap on the number of members that may be appointed from any one county.
9. Montessori schools

The full bill summary may be found here: [SB 152](#)

The bill has been reported to the House and First Read.

SHOW-ME SUCCESS DIPLOMA PROGRAM: This week the House took up, Perfected, and Third Read and Passed 157-1 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. Students who earn a Show Me Success Diploma may elect to remain in high school. Alternatively, a student having earned the diploma may instead enroll in a qualifying postsecondary educational institution. For each student enrolled in such an institution, an amount equal to 90% of the pupil's proportionate share of the state, local, and federal aid that the

district or charter school receives for such pupil, shall be deposited into an account that lists the pupil as the beneficiary. The bill establishes the "Competency-Based Education Task Force" to study and develop competency-based education programs in public schools. The Task Force members will be appointed before October 31, 2021: two members of the House of Representatives appointed by the Speaker, two members of the Senate appointed by the President Pro Tem, four members appointed by the Governor. The Commissioner or his or her designee shall also serve on the Task Force. The members of the Task Force will represent the geographic diversity of the state. The requirements, duties and obligations of the Task Force are outlined in the bill. A report shall be presented to the Speaker of the House of Representatives, the President Pro Tem of the Senate, the Joint Committee on Education, and the State Board of Education by the first of December annually.

The following amendments were adopted during Perfection:

1. Changed the title to education opportunities
2. Allows 529 accounts to be used for expanded authorized education expenses as dictated by the change in federal law
3. Modifies the adult high school diploma program by removing the requirement that on-site childcare be offered.

PUBLIC SCHOOL TRANSFERS: This week the House took up and Perfected HCS HB 543, sponsored by Rep. Brad Pollitt (R-Sedalia). This legislation establishes transfer procedures to nonresident districts for students in public schools. The full bill summary may be found here: [HB 543](#).

During the three hour debate the following amendments were offered:

1. HA1(.16H)Pollitt - changes the timelines for the district to opt in or out, for when a parent must enroll their child in a new district - ADOPTED
2. HA2(.13H)Porter-requires the student to attend the non-resident school for one full school year; adds a transportation allowance for students receiving free lunch or are disabled; the money from the student stays in the originating district - ADOPTED
3. HA3(.15H)Francis - if you pay real property taxes in multiple districts for more than two years students may transfer to the districts which taxes are paid - ADOPTED
4. HA4(.12H)Perkins - prohibits athletic oversight committees from imposing stricter penalties on open enrollment students - ADOPTED
5. HA5(.06H)Lewis - the originating district may only lose 5% over the first 2 years - ADOPTED
6. HA6(.19H)Rowland - any student with an IEP (individualized education plan) may be eligible to open enroll regardless of financial availability - WITHDRAWN
7. HA7(.07H)Mackey - removes the criteria that suspensions are considered to allow the student to move - WITHDRAWN

After the bill was Perfected a drafting error was discovered and caused the bill to be brought back up and referred to the House Committee on Legislative Review.

21st CENTURY MISSOURI SOCIAL SERVICES GAP ANALYSIS TASK

FORCE: On Monday, the House Committee on General Laws conducted a public hearing on HB 1165, sponsored by Rep. Louis Riggs (R-Hannibal). This bill establishes the "21st Century Missouri Social Services Gap Analysis Task force". The membership of the task force includes: five members of the House of Representatives with two members appointed by the Speaker and two appointed by the Minority Leader and one member to be the chair of the House Budget Committee or their designee, five members of the Senate with two appointed by the President Pro Tem and two appointed by the Minority Leader, and one member to be the chair of the Senate Appropriations Committee or their designee, the Governor or his designee, 16 members as appointed by the Speaker, representing various parties, the Chief Information Officer, the Director of the MO HealthNet Division of the Department of Social Services or their designee, and four members to be appointed by the Governor representing a member of the State Information Technology Advisory Board and various departments.

The mission of the task force is outlined in the bill and includes, but is not limited to, evaluation of the current condition of the state's social services system, as defined in the bill, evaluation of funding, and recommendations on how to fill any gaps in the social services system. The task force will make recommendations for legislation as well as submit a report outlining a summary of task force activities to the General Assembly before August 28, 2022. The task force will suspend operations on January 1, 2023 and reconvene January 1, 2024 to provide updates and review recommendations to be presented by August 28, 2024. The task force will continue to meet every two years until this section terminates on August 28th 2033.

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

-End of Report-