



**JANUARY 27, 2023**

Despite the threat of winter weather, the legislature continued activity with both the House and Senate holding a flurry of hearings and the House beginning the process to craft its version of the Fiscal Year 2024 budget. Marathon hearings seemed to be the theme this week as several committee hearings lasted six or more hours.

### **In Brief**

- On Monday, Governor Mike Parson announced seven appointments to various boards and commissions. **Tim Francka**, of Bolivar, was appointed to the **Missouri State University Board of Governors**. **Lisa Newcomer**, of Jackson, was appointed to the **Missouri Board for Respiratory Care**. **Tameka Randle**, of Cape Girardeau, was appointed to the **Missouri Housing Development Commission**. **David Sater**, of Cassville, was appointed to the **Coordinating Board for Higher Education**. **Jeff Schrag**, of Springfield, was appointed to the **Missouri State University Board of Governors**. **Harry Thompson**, of Lohman, was appointed to the **Air Conservation Commission**. **Chris Williams**, of Carl Junction, was appointed to the **Missouri Mining Commission**.
- **Broadband:** On Monday, Governor Mike Parson announced that the Department of Economic Development (DED) has awarded a total of \$261 million through the ARPA Broadband Infrastructure Grant Program to 60 recipients for projects that will expand and improve internet access statewide. Projects receiving funds are expected to create more than 55,000 connections in locations that previously lacked adequate internet access.
- **Workforce Training:** On Tuesday, Governor Mike Parson announced that the Department of Economic Development (DED) has awarded \$30 million through the ARPA Workforce Training Grant Program. The program is focused on helping companies address workforce shortages by recruiting and training Missourians. The program awarded competitive grants to a wide range of applicants and will train workers for a variety of industries including childcare, health care, broadband deployment, manufacturing, and more. The grant is also aimed at helping those who need it most, encouraging recipients to train at-risk and low-income populations.

### **Budget Update**

The House budget sub-committees began hearing from the various state departments this week and the full House Budget Committee met to hear a presentation from State Budget Director Dan Haug regarding the emergency supplemental (HB 2014), the regular supplemental (HB 2015), and the ARPA funding spending plan (HB 2020). The Senate Appropriations Committee also began to hear from the various departments regarding the Governor's budget recommendations.

The emergency supplemental (HB 2014) consisted mostly of language corrections to ensure appropriation authority for various programs, an 8.7% increase for state workers and a \$2 pay differential for those working evening and night shifts for specific departments, and a grant program for school districts to implement safety measures within their schools. The second supplemental (HB 2015) contained funding for programs that fell short for FY 2023. However, it did contain new spending items such as an additional \$500,000 for the 988 hotline, \$5.6 million for the administration of the adult use cannabis program, \$2.5 million for staff to assist in the expungement of records for those convicted of recreational marijuana use, and \$1.6 million for the Department of Health and Senior Services to resume recertification surveys for long-term care facilities. During the Dan Haug's presentation to the House Budget Committee, it was noted that HB 20 contained only three new spending items as most of the ARPA funding already was allocated for various programs. The new items include \$2 million to modernize Missouri Job Centers, \$3 million for a project at Crowder College, and \$2.1 million to continue the pay raise state workers received last year. All other funding contained in HB 20 is a continuation of funding and projects approved in the Fiscal Year 2023.

## **Committee Activity**

### **Promotion of Business Development**

The Senate Economic Development and Tax Policy Committee convened Monday afternoon to discuss SB 69, sponsored by Senator Travis Fitzwater (R-Holts Summit). The bill creates the **"Right-to-Start Act"** and requires the Commissioner of Administration in cooperation with the Office of Entrepreneurship to monitor contracts awarded to businesses that have been in operation for less than three years and provide recommendations to the General Assembly on improving access and resources for new Missouri businesses. The bill also creates the **Office of Entrepreneurship** within the Department of Economic Development to promote policies and initiatives to support the growth of entrepreneurship within the state. Lastly, the bill establishes the **Regulatory Sandbox Act**, which provides small businesses a way to waive or suspend certain regulations for two years by applying to the Regulatory Relief Office created within the Department of Economic Development. The KC Chamber has been working with Right To Start leaders for several years to advocate for reducing barriers to start-up businesses. Americans for Prosperity, Associated Industries of Missouri, Missouri Chamber of Commerce and Industry, **Greater Kansas City Chamber of Commerce, Civic Council of Greater KC**, United WE, Missouri Retailers Association, and the Missouri Grocers Association supported the bill. No opposing testimony was presented.

The committee then met in executive session to consider passage of SB 3, sponsored by Senator Denny Hoskins (R-Warrensburg). The bill, as originally filed, creates the Regulatory Sandbox Act which provides small businesses a way to waive or suspend certain regulations for two years by applying to the Regulatory Relief Office created within the Department of Economic Development. During committee discussion, a committee substitute was adopted to include SB 69, which creates the "Right-to-Start Act," as detailed above. Once modified, the committee passed the bill by a 4-2 vote.

Later in the week, the House Economic Development Committee convened Wednesday morning to discuss HB 268, sponsored by Representative Alex Riley (R-Springfield). The bill is the House companion to SB 3. The sponsor stated his intent is to provide an alternative mechanism for entrepreneurs who are not able to prosper due the regulatory burdens in Missouri. Americans for Prosperity, Missouri Chamber of Commerce and Industry, Associated Industries of Missouri, Greater Kansas City Chamber of Commerce, Civic Council of Greater KC, United WE, Next Missouri, and Cicero Action supported the bill. The Sierra Club of Missouri opposed the bill stating they had concerns regarding removing regulations which impact the environment.

### **Phasing Out Corporate Income Tax**

The Senate Committee on Economic Development and Tax Policy convened Monday afternoon to discuss SB 93, sponsored by Senator Denny Hoskins (R-Warrensburg). The bill seeks to eliminate the corporate income tax, which generates \$350 million per year in state general revenue. During bill presentation, the sponsor informed committee members his intent with the legislation is to provide an extra incentive to Missouri businesses. Associated Industries of Missouri, Missouri Chamber of Commerce and Industry, Missouri Century Foundation, Americans for Prosperity, Missouri Retailers Association, and Missouri Grocers Association supported the bill. Missouri NEA and Missouri Budget Project opposed the bill and informed committee members that the Missouri corporate income tax is already one of the lowest in the country and eliminating it all together would create a great deficit for Missouri and for schools. The committee took no further action on the measure.

### **Education Transparency**

The Senate Education and Workforce Development Committee met Tuesday morning to discuss SB 42, sponsored by Senator Rick Brattin (R-Belton). The bill establishes the "**Parents Bill of Rights**," providing certain rights and expectations not to be denied to parents of school children. The bill also prohibits the use of the 1619 Project to teach race relations and the inclusion of Critical Race Theory within instruction. The language requires school districts to post curriculum, training, and instructional materials used for course completion online for parental review. Lastly, the legislation allows school districts to decide whether to allow student participation in athletic contests by gender based on public vote. The Opportunity Solutions Project supported the bill. The ACLU of Missouri, BookSource, several community activists, PROMO, and numerous students and citizens opposed the bill. Opponents argued this violates the First Amendment, violates the equal protection clause of the Fourteenth Amendment, could lead to an increase in suicides among LGBTQ+ youth, and stifles creative thinking among students.

### **Kansas City Police Department Salary**

The House Special Committee on Urban Issues convened Tuesday morning to discuss HB 640 and HB 729, sponsored by Representatives Mark Sharp (D-Kansas City) and Chris Brown (R-Kansas City). The bills are similar and seek to improve and incentivize the recruitment of Kansas City police officers. Specifically, HB 640 removes the current salary cap and age restrictions statutorily placed on the Kansas City Police Department Police Chief. HB 729 expands on HB 640, and not only removes the salary cap of the chief of police but removes the cap for all officers and ranks for the Kansas City Police Department. The Kansas City Police Department, Kansas City Fraternal Order of Police, Kansas City Mayor Quinton Lucas, Greater Kansas City Chamber of Commerce, and the Civic Council of Greater Kansas City supported the bill. No opposing testimony as presented to the committee.

### **Transgender discrimination**

The House Committee on General Laws convened Tuesday evening to discuss three bills relating to transgender sport discrimination. HB 170, sponsored by Representative Brian Seitz (R-Branson), HB 183, sponsored by Representative Jamie Burger (R-Benton), and HB 337, sponsored by Representative Bennie Cook (R-Houston) are similar and enact provisions aimed at stopping transgender girls from playing girls sports. The sponsors stated their intent is to prevent women from being put at a disadvantage during sporting contests. Democratic committee members stated MSHSAA already has policies in place regarding transgender athletes and the legislation is unnecessary and harmful. Secretary of State Jay Ashcroft, Freedom Principal Missouri, and several private citizens presented supporting testimony stating that by not establishing strict guidelines organized by biological sex dehumanizes and disadvantages women. City of Kansas City, Greater Kansas City Chamber of Commerce, PFlag Springfield, PROMO, Physicians for Reproductive Health, American Atheists, Eddy Design Group, LLC, National

Council of Jewish Women St. Louis, Anti-Defamation League Heartland, Pro Choice Missouri, Complete Harmony, Missouri NEA, Advocates of Planned Parenthood of the St. Louis Region and Southwest Missouri, Vandamm, LLC, Nclusion Plus, and dozens of private citizens shared opposing testimony stating this is a direct attack on the LGBTQ+ community and this legislation could lead to an increase in LGBTQ+ suicide rates.

### **Tax Exemption for Childcare Facilities**

The Senate Committee on Fiscal Oversight convened Thursday morning to discuss SJR 26, sponsored by Senator Travis Fitzwater (R-Holts Summit). Upon voter approval, the resolution would exempt personal or business property used for the purpose of operating a childcare facility from taxation. During committee discussion, it was noted this change might be difficult to administer if childcare facilities are not licensed by the state and that calculation of actual space utilized for childcare in an in-home setting would potentially be too cumbersome for individuals to qualify for the credit. United WE, Greater KC Chamber of Commerce, Campaign Life Missouri, and the Missouri Chamber of Commerce and Industry supported the bill. No opposing testimony was presented to the committee.

### **Bills of Interest:**

<https://www.govwatch.net/report/26953>

### **Hearings:**

**House:** <https://house.mo.gov/AllHearings.aspx>

**Senate:** <https://www.senate.mo.gov/hearingsschedule/hrings.htm>

### **Key Upcoming Dates:**

- February 8, 2023 – State of the Judiciary
- February 20, 2023 – Presidents Day Observed – No Session
- March 1, 2023 – Last Day to File Bills
- March 9 – 20, 2023 – Legislative Spring Break
- April 10, 2023 – Easter Break – No Session
- May 5, 2023 – Constitutional Deadline to pass the FY2024 state budget
- May 12, 2023 – Last day of Legislative Session
- July 1, 2023 – First day of the new fiscal year
- July 14, 2023 – Last day for Governor Parson to sign or veto legislation
- September 13, 2023 – Veto Session

My thanks,

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