

# STRATEGIC CAPITOL

## C O N S U L T I N G

April 18, 2025

While the Senate started its week off working swiftly through its floor calendar, any compromises and comradery swiftly came to a halt Wednesday afternoon when Senate Democrats stalled debate on HB 567, which seeks to rollback part of the Proposition A provisions Missouri voters passed last year seeking to increase the minimum wage and also adds sick leave benefits. After a nearly 10-hour filibuster, the evening ultimately ended with no compromise, the Democrats prevailed, and the bill was returned back to the calendar to be debated further another day. Although Democrats successfully stalled the bill this week, leadership vowed to return to the issue within the next couple of weeks....

### **Tidbits**

- This week, Governor Mike Kehoe announced four appointments to the State Board of Education, which include: Michael Matousek, of Kansas City, was appointed to the State Board of Education; Kenneth "Brooks" Miller Jr., of Sunrise Beach, was appointed to the State Board of Education; Jon Otto, of Kansas City, was appointed to the State Board of Education; and Dr. Thomas Prater, of Springfield, was appointed to the State Board of Education.
- The City of St. Louis and aldermanic board president Megan Green filed a suit in federal court this week to stop the state takeover of the St. Louis Police Department. The lawsuit claims the provisions are unconstitutional because it puts in place an unfunded mandate, includes requirements that the city spend certain amounts of its overall budget on police, and also violates free speech rights by threatening fines and prohibitions on serving in public office for taking "any action that could be found to in any manner impede, obstruct, hinder, or interfere" with the State Board. You can view the filed suit [here](#).

### **Budget Update**

Despite an IT meltdown forcing Senate Appropriations staff to work off excel spreadsheets, the Senate Appropriations Committee completed work on the proposed \$48 billion Fiscal Year 2026 operating budget, with the exception of capital improvements and re-appropriation of dedicated federal relief and stimulus funds. After numerous changes, the Senate Committee-approved version of the budget looks dramatically different than the House-approved version, and around half a billion dollars in additional spending than called for by the Governor or House. Several differences between the proposals, which is expected to be debated by the full Senate at the end of April, include:

- A \$300 million increase to fully fund the state's education Foundation Formula at \$3.7 billion, which neither the Governor nor House proposed.

- An elimination of \$50 million of General Revenue proposed by the Governor and House to be used for the MOScholars Program to provide vouchers for private school tuition.
- A \$107 million plan to use federal childcare dollars to change the way providers are paid from an attendance-based model to an enrollment model, which was proposed by the Governor but not the House.
- A cut of \$19 million approved by the House to purchase land for a new state park in McDonald County, home of House Budget Chairman Dirk Deaton.
- An elimination of funding for the Office of Child Advocate, which investigates complaints regarding the state's child welfare system.
- A 3% increase to baseline funding for public colleges and universities in the state, double the amount proposed by Gov. Kehoe and approved by the House.
- Restoration of a proposal made by Gov. Kehoe to raise the salaries of state employees by 1% for every 2 years of service up to 10%, which was reduced by the House to 1% for every 2 years of service up to 10 years.
- Separating federal road funds from the state road fund to provide more oversight and control of road spending by the General Assembly.
- \$40 million for highway construction and congestion alleviation on I-70 in Warren County.
- \$150 million to extend Highway 57 from Poplar Bluff to the Arkansas state line; and,
- \$7 million to help St. Louis Lambert International Airport demolish unused and obsolete buildings in anticipation of a \$2.8 billion passenger terminal overhaul.

Additionally, the House provided its approval to HB's 18, 19, and 20 this week, which fund capital improvements (CI) and reappropriations for the state, including nearly \$4 billion of General Revenue and federal stimulus funds and 45 new projects throughout the state. Combined, the regular operating budgets approved by the House and the capital improvement budgets total around \$51.7 billion for Fiscal Year 2026, approximately \$2 billion less than called for by Governor Kehoe in January. The Senate Appropriations Committee is expected to review and finalize the three CI bill's next week in preparation for full floor debate the end of April.

The full budget must be complete and approved by both chambers by May 9.

### **Committee updates**

#### **Pensions**

The Senate Committee on General Laws met Tuesday morning to discuss HB 147, sponsored by Representative Barry Hovis (R-Whitewater). The bill, as filed, modifies the calculation of earned compensation for members of the City of St. Louis Police Retirement System to include any compensation awarded as part of a judgement or settlement to a member of the system who is involved in a legal challenge based on rank. During previous debate, numerous amendments were adopted to create an omnibus pensions package. The bill now includes the following provisions:

- HB 976, which adds corrective language for LAGERS.
- HB 44 that equalizes the tax burden for private and public pensions.
- HB 657, which modifies provisions related to proxy voting and fiduciary investment duties for certain public employee retirement and pension systems.

- HB 1504, change the employer contribution rates for the St. Louis Public School Retirement System by increasing it from 9% to 14%.
- HB 977 that modifies provisions regarding divestments in foreign entities or funds on the federal adversarial watch list.
- SB 255, relates to the administration of the two firefighter retirement systems serving firefighters in the City of St. Louis would permit the two systems – the Firemen’s Retirement System (FRS) and the Firefighters’ Retirement Plan (FRP) – to be administered together, with the same Board of Trustees serving and investing the funds of both systems.

MO St. Louis Police Retirement System, FGA Action, Local Government Retirements System, MO Public Schools Retirement System supported the bill. No opposing testimony was presented. The MO State Employees Retirement System provided informational testimony and informed committee members that the bill will have no impact on the system.

### **Hearing Schedules**

[House](#)  
[Senate](#)

### **Chamber Floor Calendars**

[House](#)  
[Senate](#)

### **Upcoming Dates of Interest**

- April 21, 2025 – Easter holiday – no session
- May 9, 2025 – Last day to pass the FY26 budget
- May 16, 2025 – Last day of the 2025 legislative session
- September 10, 2025 – Veto session

### **Custom Bill Track Link**

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- As a reminder, this is a hotlink and updates automatically as things are added, progress, or change.

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