



February 21, 2025

Another legislative week is in the books, along with another winter storm! Although the majority of Jefferson City shut down this week in response to the extreme weather conditions, the freezing temperatures and heavy snow fall actually made for a productive week in the MO State Capitol. Both chambers are actively debating bills, committees continue to meet throughout the day, and both the Senate and House budget committee members are actively scrutinizing the Governor's and various departments proposed budgets.

While everything seems to be running smoothly right now, it's only a matter of time till the wheels fall off.....

### **Committees Updates**

#### **Workers' compensation administrative law judges**

The House Committee on Judiciary convened Tuesday afternoon to discuss HB 123, sponsored by Representative Rudy Veit (R-Wardsville). The bill amends the way an administrative law judge can be removed and provides that the compensation for Administrative Law Judges and chief administrative law judges will be determined solely by the rate outlined in law and will not increase when pay raises for executive employees are appropriated. The MO Department of Labor, Associated Industries of MO, MO Chamber of Commerce and Industry, Active and Retired MO State Employees Association supported the bill. No opposing testimony was presented.

#### **Banning pension funds used for political purposes**

The House Pensions Committee convened on Thursday morning to discuss HB 735 and HB 686, sponsored by Representatives Dirk Deaton (R-Seneca) and Mike Steinmeyer (R-Sugar Creek), respectively. The bills prohibit any public employee retirement system from contributing or expending system funds to advocate, support, or oppose the passage or defeat of a ballot measure or candidate for public office or to pay any debt or obligation for a committee supporting or opposing a ballot measure or candidate. The bill also establishes a methodology for MOSERS to recover overpayments made to a plan beneficiary and reinstates a period for retirees to elect a lump sum of a deferred annuity in lieu of retirement plan annuities. During committee discussion, a committee substitute was adopted to combine both bills into one legislative vehicle. Once modified, the committee passed the bill by a 14-1 vote.

### **Income tax deduction for private pensions**

The House Pensions Committee met Thursday morning to discuss HB 44 and HB 426, sponsored by Representatives Mike McGirl (R-Potosi) and Jeff Verneti (R-Camdenton). The bills are identical and increases an individual's income tax adjustments related to private pensions by increasing from \$32,000 to \$64,000 for married filing combined, \$25,000 to \$50,000 for single, and \$16,000 to \$32,600 for married filing single. during committee discussion, a committee substitute was adopted to combine both bills into one legislative vehicle. Once modified, the committee passed the bill by a 15-0 vote.

### **Budget Update**

#### **DSS**

On Monday the Department of Social Services presented the FY2026 non-Medicaid program budget to the House Budget Committee. Interim Director Jessica Bax provided an overview of the Department's operations and goals, including providing a 1% for Cost-of-Living Adjustment to employees of the Children's & Youth Divisions in addition to the salary increase of 1% for every 2 years of service proposed by Gov. Kehoe. Director Bax also provided an update on efforts to upgrade the Department's online eligibility verification portal for program participants in SNAP, TANF, and MO HealthNet, which is currently in the second of three phases of roll out. Once the program is operational, users will be able to request a hearing on their case, apply for or recertify TANF benefit eligibility, and appoint or revoke authorized representatives for their cases. Specific programs outlined by Director Bax included:

- A request of \$2.5 million in General Revenue and Federal funds to upgrade the provider portal used by hospitals and physicians to determine Medicaid eligibility for newborns and pregnant mothers;
- \$4,350,000 of General Revenue and Federal funds for technology enhancements to integrate DSS databases and improve efficiency for processing to reduce errors and wait times and remain compliant with federal mandates;
- \$3.4 million in Federal funds to operate the call center for processing of adult expansion population Medicaid participants;
- \$1.5 million split evenly between General Revenue and Federal funds to operate an AI-powered chat feature for public assistance program participants to connect with appropriate case officers and eligibility or enrollment staff;
- \$2 million split evenly between General Revenue and Federal Funds for a partnership between acute safety net hospitals and the Department to determine eligibility and enroll individuals in the Medicaid program;
- \$30 million of General Revenue and Federal funds for the Missouri Eligibility Determination and Enrollment System development and pilot deployment for integrating case management documents;
- \$51.5 million in Federal funds to operate the "sunbucks" program for free summer meals for students who qualify for Free or Reduced Price Lunch;
- \$3.1 million in additional Federal funds for EXCEL Centers to expand Adult High School programs and operations;
- \$2 million in General Revenue for Mission:St. Louis to provide supplemental education programs, job training, crime prevention, and community service programs for under resourced individuals;

- \$3.5 million in Federal Funds for the Access Point Program to provide underrepresented communities, including young women and minorities, with apprenticeship training for careers in information technology and software development; and,
- \$4 million in Federal Funds to increase access to services provided by Alternatives to Abortion for women at or below 185% of the Federal Poverty Level (FPL).

## **DHEWD**

On Tuesday the Department of Higher Education and Workforce Development presented their FY26 budget request to the House Budget Committee. Dr. Bennett Boggs, Commissioner of the Department, provided an overview of the priorities and ongoing operations of the agency, including updating the Committee on the state's efforts to attract individuals into the workforce. Due to an aging population, the Commissioner reported that the Department expects to need at least 243,000 additional Missourians to obtain college-level advanced credentials to meet the state's workforce needs by 2030. Dr. Boggs said the Department is working with colleges and universities in the state to identify individuals who started but did not complete a college degree program and conducting efforts to reengage and support individuals in returning to complete a degree program. Dr. Boggs also reported that approximately 7,500 Missouri students are expected to qualify for the state's "Bright Flight" scholarship program and 36,000 students will qualify for the "Access Missouri Financial Assistance Program" in FY26. Additionally, Dr. Boggs said recent legislative changes to the "Fast Track Workforce Incentive" for adult individuals looking to upskill or enhance their professional certifications have resulted in a 90% participation increase, with an estimated 2,200 individuals participating in the program in the upcoming year, and Missouri's efforts to increase apprenticeships in the state have resulted in Missouri ranking third in the country for the number of available apprenticeship opportunities. Finally, Dr. Boggs provided an overview of several budget items, including:

- A request for \$500,000 in General Revenue for the "Reentry 2030" program to operate programs within the state's Job Centers focused on assisting justice involved and recently incarcerated individuals in transitioning into the workforce upon release;
- An increase of \$113,000 in General Revenue to provide survivors of public service officers killed in the line of duty and \$495,000 of General Revenue for survivors and spouses of veterans killed in the line of duty with Tuition at the University of Missouri;
- \$36,694 in General Revenue scholarships to individuals from minority and underrepresented communities pursuing a college degree in an environmental field of study at a Missouri college or university;
- A cut \$1.3 for the "Returning Heroes" college tuition reimbursement program to provide a reimbursement to colleges and universities for the difference between the cost of tuition and state-cap of tuition for returning veterans;
- A Department request of \$1 million for youth workforce initiatives to prepare high school students not pursuing a college education with skills to meet high-demand career needs;
- \$250,000 in General Revenue to provide individuals with autism in Southeast Missouri with job skills and independent living services;
- A cut of \$2.3 million in General Revenue to provide underserved high school students with exposure to advanced workforce development opportunities in the health, life sciences, and agricultural industries;
- A \$2 million General Revenue increase to the Fast Track Workforce Incentive Program; and,

- A 1.5% General Revenue increase to all public four year colleges and universities, community colleges, and State Technical College of Missouri.

## **DMH**

On Wednesday the Department of Mental Health presented their FY2026 budget request to the House Budget Committee and updated the Committee on ongoing projects and operations of the Department. Specifically, Director Val Huhn told the Committee that part time staffing has fallen to around 1,300 personnel from a high of 1,820 in 2023. Overall, the Department remains at only around 65% of the budgeted Full Time staff positions filled, with the highest vacancies among social workers, psychologists, and psychiatrists. Additionally, Director Huhn reported that over half of the approximately 150,000 Missourians the Department serves each year qualify for Medicaid, and the Department is actively seeking additional Federal funding to enhance services for individuals requiring residential treatment services, in-home services for individuals experiencing a first-break mental occurrence, children transitioning out of the Children's Division, and individuals transitioning out of residential treatment facilities.

Director Huhn also covered the Federal matching share of funding for the Department, which will drop by approximately .9% for adults and .4% for children, resulting in an additional need of \$26 million of General Revenue to make up the difference. The Director also reported that the largest growth in individuals needing services is among youth, with an expected increase of approximately 6,700 persons below the age of 18 requiring services from the Department next year. Additional New Decision Items (NDI's) requested by the Department and the Governor include:

- \$3.8 million General Revenue to continue operations of the state's 988 suicide and mental health crisis hotline and texting services;
- \$3.3 million General Revenue to cover the inflationary increase in the cost of prescription drugs;
- \$4.2 million split evenly between Federal and General Revenue sources to continue a pilot program for improving treatment for PTSD, anxiety, depression, and sleep disorders;
- \$2.5 million from the Opioid Settlement Fund to employ housing liaisons to assist individuals transitioning from DMH services in locating affordable, safe housing in the state;
- \$1.1 million from the Opioid Settlement Fund for a pilot program in St. Louis combating opioid addiction and overdose;
- \$8 million from the Opioid Settlement Fund to provide local law enforcement and first responders with life saving Narcan kits;
- \$100,000 General Revenue increase to pay legal fees for individuals involuntarily detained in criminal institutions awaiting mental health treatment;
- \$5 million in General Revenue and \$9.2 million in Federal funds to provide psychiatric and case management services to individuals living in skilled nursing facilities;
- \$5.9 million in General Revenue and \$1.3 million in Federal Funds to enhance community-based placements in shortage areas to prevent unnecessary incarceration or hospitalization;
- \$2.4 million in Federal Funds to hire 30 additional community behavioral health liaisons to assist law enforcement and first responders in appropriate response and treatment of individuals experiencing a mental health crisis or situation; and,
- \$1.35 million in General Revenue to fund diagnostic services for individuals with Autism.

### **Tidbits**

- Governor Kehoe signed Executive Order 25-18 Tuesday afternoon, which orders all executive agencies to comply with the principle of equal protection and ensure all rules, policies, employment practices, and actions treat all persons equally. Executive agencies are prohibited from considering diversity, equity, and inclusion in their hiring decisions, and no state funds shall be utilized for activities that solely or primarily support diversity, equity, and inclusion initiatives. The full order can be found [here](#).
- Last week the MO Public Defender's Office caused outrage in the House Budget Committee for employing a man who was convicted of two felonies in connection to the murder of his stepdaughter in 2007. In a joint statement issued Tuesday, House Speaker Jon Patterson and other members of the chamber's GOP leadership [wrote](#) that unless the situation is "rectified immediately," they will support efforts to reject Missouri State Public Defender's entire budget for next year.
- This week, Attorney General Andrew Bailey filed a motion to intervene in the lawsuit being brought by Dexter chicken farmers against Tyson Foods, citing the claims in Plaintiffs' Petition implicate important public interests to the citizens of the State of Missouri and directly relate to Missouri antitrust and consumer protection statutes administered by the Attorney General in his law enforcement capacity. You can see the full filing [here](#).

### **Hearing Schedules**

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

### **Chamber Floor Calendars**

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

### **Upcoming Dates of Interest**

- February 26, 2025 – State of the Judiciary Address
- February 28, 2025 – Last day to file legislation
- March 14-21, 2025 – Legislative Spring break
- 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**

Your custom webpage URL for bill tracking is <https://govwatch.net/report/LGKp>

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

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