

# Legislative Update

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## GOVERNOR VETOES TAX CUT BILL AND ANNOUNCES SPECIAL SESSION

Following extensive action in signing bills this week, Governor Parson announced that he would veto several bills on July 1, including HB 2090 (Griffith). HB 2090 included a one-time tax refund, based on 2021 income tax liability, of up to \$500 for single returns and up to \$1000 for joint filers. Parson objected to the income limits that would prevent high income filers from receiving the tax refund. Parson also objected that the \$500 million appropriated for the refunds was far less than would be needed to provide refunds at the full amount and that income tax filers would receive much smaller, prorated refunds.

When vetoing the bill, the Governor announced that he plans to call the legislature into special session later this year to enact a broader tax cut that will reduce the income tax rate, increase the standard deduction and reduce or eliminate lower tax brackets to leave a flat rate. The Governor did not specify the expected timeline or total expected fiscal impact of the intended tax cut. The Governor also did not specify a time for the special session to begin but did express his intent that the tax cut should be in place and effective by January 1, 2023. Stay tuned for future MNEA legislative updates regarding the Governor's official call of the special session and any proposed tax legislation.

### GOVERNOR SIGNS BUDGET AND SEVERAL BILLS

Governor Mike Parson signed many bills this week. Parson signed the state budget bills, HBs 3001-3013 (Cody Smith) on June 30. The budget bills are single year spending bills for the fiscal year that starts on July 1, 2022. The state budget totals \$48 billion, the largest budget in state history. The total is significantly larger due to the appropriation of additional one-time federal aid. Most of the federal funds can be spent over several years and will not all be spent in the new fiscal year. Succeeding budgets for the next several years will continue to reflect high totals as this spending authority for federal funds is renewed until the funds are eventually used.

## GOVERNOR SIGNS FUNDING BILLS FOR K-12 AND HIGHER EDUCATION

The Governor signed both HB 3002 for K-12 funding and HB 3003 for higher education funding on June 30. The Governor has line item veto authority over budget bills and vetoed a few funding provisions in each of those bills. The Governor vetoed the increase of \$4.875 million in funding for the School Turnaround Program, noting that this was a fairly new program with little information as far as performance measures and outcomes from the first year. The funding will remain at the current year level of \$975 thousand. The Governor also vetoed \$2 million to fund a chemistry and physical

science game-based learning program, as it was drawn to a specific vendor's platform, rather than describing a type of program that could properly work with state purchasing laws.

The Governor also vetoed two funding items in HB 3003, including \$4 million to Missouri State University for a statewide math supplement program for secondary students and \$2.3 million to Missouri Southern State University for collaboration opportunities with an industry partnership in biological sciences to provide services to K-12 students. In both cases, the funding items were vetoed because they were included in the higher education budget, while DESE has the proper legal authority for programming and curriculum for K-12 students.

The legislature took advantage of unprecedented state revenues and balances and made significant increases in education funding this session, and the Governor has signed those provisions into law. The Association thanks the legislature and Governor for investing significant added resources in public education and encourages the legislature to maintain existing state revenue sources so that the state can maintain as much of this investment as possible in future years.

The K-12 education budget in HB 3002 includes an increase of \$214.5 million to fully fund K-12 pupil transportation for the first time in 30 years. This funding will provide general fund increases to all school districts. The budget also provides \$21.7 million targeted to increase teacher pay by providing matching funds to help low salary districts bring starting teacher salaries to \$38,000 and adds \$37 million to restore funding for the Career Ladder program.

Also included is \$25 million for literacy grants to schools to support district, school and teacher needs to implement SB 681 (O'Laughlin) on reading instruction and intervention and \$27 million to test for and eliminate lead from school drinking water.

The budget also provides significant funding increases for higher education students and our public colleges and universities. The budget includes increases to student aid programs, including \$3.5 million for Bright Flight, \$4.5 million to Access Missouri, \$6 million for A+ Schools and \$7 million for a revised Dual Credit scholarship program for low-income students.

The budget also includes additional maintenance and repair funding and a 5.4% CPI increase for state aid to all community colleges, four-year public institutions and the state technical college. HB 3020, a bill that appropriates \$2.9 billion in federal ARPA funding, includes more than \$500 million in one-time funding for new capital projects at public higher education institutions around the state.

#### GOVERNOR SIGNS CHARTER SCHOOL/VIRTUAL BILL

The Governor signed SS/HCS/HB 1552 (Richey) into law on June 29. The bill would provide increased state funding for charter schools and revise virtual school law. The bill preserves existing local school district funds while providing additional state funds to charter schools. The extra funding will be based on the per pupil portion of local funds that remain with the district due to charter school payments based on 2004 property values. The state payments will apply to both Kansas City and St. Louis City charter schools. The bill also includes several additional requirements on charter schools, including a requirement that new charter board members shall be Missouri residents.

The bill also includes new language to create a specific framework for full-time virtual schools. The process will consider opportunities for in-person instruction prior to moving a student to virtual/distance learning. The bill includes a process for enrollment based on meeting the needs for a student to be successful and providing all services required to ensure a free and appropriate public

education. The partnering host school district will receive state aid for full-time virtual students and use the funds to provide the full-time virtual program and needed services. The virtual school and partnering district will be responsible for the education and academic performance of the virtual students.

## GOVERNOR SIGNS OMNIBUS READING BILL

The Governor signed the final version of SBs 681 & 662 (O'Laughlin) on July 1. The bill became an omnibus K-12 education bill with the inclusion of many House amendments. The original Senate bill revises several provisions related to literacy and reading instruction and creates school innovation waivers. The Association supports the Senate version of the bill.

The original bill creates a comprehensive structure to support teachers and schools in providing evidence-based reading instruction and intervention that will provide opportunities for all students to become strong readers. The K-12 budget bill, HB 3002, includes \$25 million in new funding to help support implementation of the bill.

SB 681 sets the expectation that all students will receive high quality reading instruction, with appropriate evidence-based reading intervention, in the elementary grades. Careful assessment and intervention for struggling readers will begin in kindergarten. Students with characteristics of dyslexia will receive the systematic and explicit interventions they need.

The bill also includes specific requirements on DESE to support literacy and help train teachers and requires schools to provide in-service teachers with professional development opportunities in literacy and reading instruction. The bill also puts in place a structure to support teachers over the long term by improving the preparation of new teachers to teach students to read. The bill requires the teacher preparation programs in our colleges and universities to provide all the tools to prepare teaching students to provide effective literacy and reading instruction and revises the Missouri Advisory Board for Educator Preparation to involve more classroom teachers in designing this training.

The omnibus House version added many more education-related provisions, mostly from bills that the House committee has considered and approved this session. In addition to the reading and innovation waiver provisions from the original Senate version, the conference committee substitute includes the following provisions:

HB 2095 (Hannah Kelley) regarding investigation of alleged child abuse related to spanking in schools, removing the provision for a school district to investigate itself on allegations relating to corporal punishment,

HB 2366 (Shields) to require districts to establish programs for gifted students,

HB 2652 (Haffner) to require public and parental notice for schools scoring in the bottom 5% on DESE APR scores,

HB 1804 (Veit) to allow a school district to choose to elect school board members from subdistricts, HB 1928 (Pollitt) regarding teacher certification options, including an alternative certification route to

HB 2304 (Lewis) regarding substitute teaching provisions, including a 3-year waiver of the 550 hour limit for substitute teaching,

HB 2493 (Rusty Black) regarding teacher Career Ladder plans,

obtaining a qualifying score on the Department's designated exam,

SB 710 (Beck) requiring individual health plans for students with epilepsy and other seizure disorders, HB 2150 (Shields) regarding Braille instruction,

HB 1750 (Basye) regarding community engagement with school boards,

HB 2202 (Fitzwater) regarding coursework and instruction in computer science,

HB 1956 (Richey) regarding competency based education, including grants to districts and schools and an alternative pathway to graduation,

SB 1075 (Schupp) to create a grant program to provide funding to schools to mitigate lead in drinking water.

HB 1973 (Kurtis Gregory) to allow districts to use other, smaller vehicles than school buses for pupil transportation,

HB 2618 (Davidson) to revise provisions governing adult high schools,

HB 2000 (Schwadron) to create Holocaust Education Week,

HB 1469 (Pike) to exclude special education reimbursements from per ADA expenditure calculation for small districts.

HB 2445 (Sassmann) regarding state aid calculations for districts partly in metropolitan statistical areas,

HB 1753 (Basye) to allow for creation of up to four recovery high schools for students with a substance use disorder.

HB 1721 (Shields) to provide additional state aid for superintendent sharing,

HB 2136 (Ann Kelley) requiring student ID cards to have the suicide and crisis lifeline number,

HB 1471 (Pike) to ensure inclement weather requirements are proportional for half-day programs,

HB 2325 (Patterson) to establish the "Workforce Diploma Program",

HB 2567 (Porter) to create the "Imagination Library of Missouri Program",

HB 1683 (Chris Brown) regarding course credit for students scoring 3 or higher on AP exams,

SB 1057 (May) regarding mental health awareness training in schools, and

a provision to allow certain property owners to have their students attend a non-resident school district in which they own property and pay at least a certain amount of property.

### GOVERNOR SIGNS BILL ON HEALTHCARE IN SCHOOLS

The Governor signed SB 710 (Beck) into law on June 30. The bill requires nurses in school districts and charter schools to develop individualized healthcare plans for students with epilepsy or seizure disorders. The final version also includes SB 1210 (May) to allow school contracted agents trained by a nurse to administer an epinephrine auto syringe on any student who is having a life-threatening anaphylactic reaction. This provision also provides that trained contracted agents shall be immune from civil liability in the administration of a prefilled auto syringe.

#### GOVERNOR SIGNS PHOTO ID AND EARLY VOTING

The Governor signed HB 1878 (Simmons) into law on June 29. The bill will require registered voters to provide a government-issued photo identification. The Senate added a provision to create an early voting window that would allow no-excuse absentee voting during the two weeks prior to an election. The Association encourages the legislature to remove barriers that keep eligible citizens from voting and being politically active. The Association supports the no-excuse absentee option and opposes the strict photo ID requirement.

Legislative Update 2022

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