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## **LWV Legislative Bulletin Feb. 4, 2019**

*Information provided by the Missouri Budget Project, Empower Missouri, and members of the LWVMO Legislative Committee. There are several ACTION ITEMS noted.*

### **HEALTH CARE**

#### **MEDICAID**

Issues in health care that seem to be topics of conversation, proposed legislation, and progressive group pushback include efforts to expand Medicaid Work Requirements and Block Grant/Global Waiver.

We should all be aware that there ARE currently work requirements for those who are able and receive Medicaid; the new proposals being objected to by nearly all healthcare organizations and social justice organizations are expansions of this that would take Medicaid access away from many currently receiving it who are unable to work for various reasons and would also impact children of these persons who are receiving Medicaid.

The “Block Grant” proposals would give federal Medicaid money to the states and let them make the decisions as to how it would be distributed, giving those in Missouri who are anxious to cut all Medicaid, the ability to do so. The idea of “Global Waiver” seems to refer to allowing states to “get out from under federal requirements” but really have no concrete plans of how to implement this, in other words, an attempt to avoid current Medicaid Rules.

[Senate Bill 76](#), which would create work requirements in Medicaid; and [Senate Bill 77](#), the “global waiver/block grant” proposal. These bills have been assigned to the [Senate Seniors, Families and Children Committee](#) – but a hearing date has not yet been set. The Division of Family Services did testify before a House Budget Subcommittee and claimed that they have enough work supports and training programs in place to be able to implement new work requirements for SNAP and Medicaid. A recent analysis by Legal Services of Eastern Missouri indicates that the proposed SNAP requirements alone would cost an additional \$61 million.

#### **RESTORATION OF MISSOURI Rx FOR SENIORS**

[Senate Bill 78](#) would restore prescription assistance for 60,000 Missouri seniors who lost access two years ago when eligibility was limited to those who are eligible for Medicaid. The bill would restore eligibility to those who are eligible for Medicare but not Medicaid. The [Senate Seniors, Families and Children Committee](#) will hold a **hearing on the bill on Wednesday, February 6<sup>th</sup> at 8:00 a.m. in the Senate Lounge.**

## HEALTH CARE INSURANCE

Healthcare advocacy groups are also concerned about “really awful policy” in proposals for short term insurance policies also sometimes referred to as “junk insurance.”

[Senate Bill 48](#) was heard in the [Senate Insurance and Banking Committee](#) this week. The bill would expand the allowed limitations on short-term insurance policies in Missouri with insurance companies testifying in favor of, and a large number of health care groups testifying in opposition.

Short-term policies can exclude from coverage an array of pre-existing conditions, and people with pre-existing conditions face discrimination. The bill would also exempt the policies from mandates related to a host of conditions including maternity coverage, diabetes, HIV, eating disorders, chemical dependency, mammography screenings, etc. The plans provide little coverage and are highly profitable for insurance companies.

**Please contact members of the [Senate Insurance and Banking Committee](#) and other Senators to urge them to oppose the measure.** Help them understand this is not good policy. A similar bill in the House, House Bill 83, has not been referred to committee.

## SNAP FOOD ASSISTANCE

*Proposal Could Cause 39,976 Families to Lose SNAP Food Assistance - Senate Bill 4*

The [Senate Seniors, Families and Children Committee](#) held a hearing on January 30 on [Senate Bill 4](#), a proposal to institute harsh sanctions for families who fail to meet certain work requirements. The Department of Social Services estimated that **at least 39,976 families, including 51,739 children**, would lose critical food assistance through SNAP for 3 months, 6 months or even permanently. **A recent analysis by Legal Services of Eastern Missouri also found that the requirements in the proposal would cost Missouri at least \$61 million per year to implement.**

There was one person testifying for and about 20 groups --children’s healthcare, religious-- testifying against. Time ran out for groups testifying against and there was no information about the fiscal note. HB 474 (Eggleston) and HB 475 (H. Kelley) are similar, will be going to the House Children and Families Committee, and the hope is to try to delay a hearing on these bills also.

**ACTION:** Contact members of the [Senate Seniors, Families and Children Committee](#) and ask that they **oppose** Senate Bill 4.

## TAX BILLS

### *INTERNET SALES TAX*

There are several bills moving at this point which deal with the collection of Internet sales tax. SB 46 is estimated to reduce state revenue by \$340M. SB 50 has tried to be revenue neutral but could actually reduce revenue \$250M over time. Most of these proposals would take the revenue coming in and reduce income taxes.

Another problem is that some want to use the revenue for transportation while others want it to go to General Revenue without earmarking. Another problem with this bill is that it deals only with state collection of sales tax, not those local entities such as municipalities, children's welfare taxes, or other local taxes such as ambulance districts, etc.

*Regarding the issue of internet sales tax, it is important to stress that these are NOT new taxes, they are simply helping the state to capture retail sales taxes already owed. This could be approximately \$67M in General Revenue for the state plus additional revenue to targeted entities and localities, all who would benefit. Most thinking people agree that Missouri can't afford another tax cut; what is needed is a clean bill on this issue.*

**URGENT ACTION is needed on tax issues that support our state budget!** The [Senate Ways and Means Committee](#) held a hearing on **SB 46** and **SB 50** (sponsored by Senator Eigel). The bills would enact mechanisms to capture sales tax that is due for online retail purchases, but use revenue gained as a trigger to implement further cuts to Missouri's top rate of income tax, not only eliminating any gains from the collection of sales tax but also resulting in the loss of hundreds of millions of dollars in income tax revenue that is used to fund critical services that our communities need to thrive. The bills would also make the tax code more regressive overall.

### **ACTION ITEM: Contact Legislators**

**We need all partners to contact members of the Senate Ways and Means Committee, particularly Senators Cierpiot and Hough to urge their opposition to the bills as written.** Contact information for these Senators, along with talking points, follow:

Senator Cierpiot - Office: (573) 751-1464  
[Mike.Cierpiot@senate.mo.gov](mailto:Mike.Cierpiot@senate.mo.gov)

Senator Hough Office: (573) 751-1311  
[lincoln.hough@senate.mo.gov](mailto:lincoln.hough@senate.mo.gov)

Urge them to support clean versions of the bills that focus solely on mechanisms that would allow Missouri to capture sales tax that is already due the state for online retail purchases (This is not a tax increase, but instead a mechanism to capture a tax that is already due). Senator Crawford's bill, [Senate Bill 189](#), is one alternative. (Continued on page 4)

Talking Points SB 46 and SB 50 include **tax giveaways** at a time when **Missouri's budget is already unpredictable and volatile**. Previously enacted loopholes and tax giveaways have caused Missouri's budget to be hundreds of millions of dollars in the red this year already.

Any additional revenues collected from online retail sales should be used for any number of currently underfunded programs and services including school transportation funding, our crumbling transportation infrastructure, and others.

The tax giveaways should be stripped from these bills and allow MO to reinvest in our communities, schools, roads and bridges

#### **Summary of Bill Impacts:**

- SB 50 will cost nearly \$200 million per year when fully implemented.
- SB 46 will cost \$340 million per year when fully implemented.

**Tax Fairness Talking Points:** Tax giveaways will largely benefit high-wealth households, leaving low-income households with very little.

## **BUDGET**

Action on the budget seems to be moving slowly at this point. Reports from various state departments are being heard. The appropriations staff in the House is short-staffed at this time so they are working hard to keep up.

The “**budget books**” that include comprehensive information on the Governor’s Budget Proposal compared to the Department requests are now mostly available at the following link:

<https://oa.mo.gov/budget-planning/budget-information/2020-budget-information/2020-department-budget-requests-governors>

## **EARNED INCOME TAX CREDIT**

None of the EITC bills have had committee hearings yet. In spite of the (sometimes) pejorative term “tax credit,” *these bills are ones that LWV supports as helpful to making our tax code more fair and helping those on the lower end of the income levels*. Low income wage earners can use a federal EITC but many states (nearly half) have their own EITC and Missouri would benefit from this as well.

## **EDUCATION**

### **CHARTER SCHOOL EXPANSION**

The House Elementary and Secondary Education Committee is expected to hear HB 581 (Roeber) next week. The bill would allow charter schools to be sponsored by outside entities (other than the local school board) and operate in districts around the state. Charter schools should be subject to the same standards of accountability, transparency and respect for the rights of students, parents and staff as are applicable to traditional public schools, and accountable to the local community through the elected school board. MNEA suggests that existing charter schools should move to district sponsorship when their charters come up for renewal and an impact study should be conducted by the district before considering sponsoring a charter school. HB 581 does not enact these reforms.

**LWVMO opposes this bill (refer to LWVMO positions, following study done several years ago).**

### **EDUCATION FUNDING**

The Senate Appropriations Committee and the House Subcommittee on Appropriations - Education continued hearings the last week of January, including testimony from four-year and two-year higher education institutions.

Meanwhile, current year revenues remain well below last year's estimate. State general revenue receipts are currently about 10% below last year's revenues, while the consensus revenue estimate for current year revenues, upon which the current year budget is based, is for a 1.7% increase in state general revenues.

Many schools are facing financial problems due to the state's failure to adequately compensate for transportation funding as required by law. Some estimate that an additional \$200 million would be necessary to meet the transportation needs of schools.

### **TAX CREDIT VOUCHERS**

The Senate Ways and Means Committee heard SB 160 (Koenig) on January 29. The bill is a tax credit voucher proposal similar to SB 612 (Koenig) from last session. The bill creates a 100% tax credit, up to a total of \$50 million per year, *for contributions to largely unaccountable third party "scholarship organizations" that would hand out scholarships that allow a student to attend a private or home school or pay tuition to a different school district or a charter school.* To be eligible, a student must live in a county with a charter form of government (Jackson, Jefferson, St. Charles or St. Louis County) or in a city with a population over 30,000.

**Diversion of public funds to unaccountable third-party bureaucracies or to private and home schools that are not subject to public school standards is a concern, and LWVMO opposes this bill.**

## **DATES OF INTEREST**

There are a number of “lobby days” when various interest groups will be conducting activities in Jefferson City. LWVMO shares the following for those who might be interested.

Feb. 6 is a Food Access Lobby Day event sponsored by Empower Missouri, Rural Crisis Center, and others and will meet at 11 a.m. in the second floor side gallery on the Senate side.

Feb. 13 is a Healthcare Lobby Day (see [www.MissouriHealthcareforAll.org](http://www.MissouriHealthcareforAll.org) for information). Similar lobby days are set for April 2 and May 1.

Feb. 19 is Advocacy Day for Moms Demand Action for Gun Sense in America at the Doubletree.

March 10 is the Missouri NOW (National Organization of Women) State Council at the Missouri River Regional Library, 213 Adams Street in Jefferson City.

April 16 is Equity Action Day for the Missouri Women’s Network.