



March 7, 2025

This week the Senate advanced the highly controversial crime bill, which is not only one of the Governor's priorities but also something he campaigned on. Amongst its numerous provisions, included was the State takeover of the St. Louis Police Department. The Democrat led filibuster lasted nearly 11-hours but ultimately gave way to a compromise. After years of a non-functioning Senate, they seem to be tackling big issues this year and are utilizing tools like the filibuster to properly work through and negotiate controversial legislation, instead of utilizing the tool for personal issues and platform agendas.

Meanwhile, the House worked swiftly through their calendar this week in an attempt to catch up to the Senate. To date, both chambers have passed a total of 76 bills, with the Senate leading with a total of 39 bills.

### **Committee updates**

#### **Cost of living adjustment for PSRS/PEERS**

The House Committee on Pensions convened Thursday morning to consider passage of HB 329, sponsored by Willard Haley (R-Eldon). Currently, the annual cost of living adjustment is capped at 80% on PSRS and PEERS. The bill increases the 80% limitation annually by no more than 1%. After no discussion, the committee passed the bill by a 15-0 vote.

#### **LAGERS Modifications**

The House committee on Pensions convened Thursday morning to consider passage of HB 976, sponsored by Representative Barry Hovis (R-Whitewater). The bill seeks to provide statutory updates to the Local Government Employees' Retirement System to account for federal changes, outdated, or obsolete provisions. During discussion, a committee substitute was adopted to change the title to retirement systems to allow PSRS to close records by investment fiduciaries. Once modified, the committee passed the bill by a 15-0 vote.

#### **Sheriff's Retirement System**

The House Committee on Pensions convened Thursday morning to discuss HB 558, sponsored by Representative Barry Hovis (R-Whitewater). The bill seeks to find a fix to the Sheriff's Retirement System after an adverse lawsuit decreased the system by \$110 million. Currently, the state has invested \$2.5 million to hold the system constant so it does not fall into arrears, but a statutory change is necessary to stabilize the system. During bill presentation, the sponsor informed the committee some of the options are to direct \$2 from the prisoner per diem paid to the counties when holding inmates for the Department

of Corrections, the Sheriff's will pay 5% of their salaries to the system and counties could directly contribute 2% of revenues to the system. The Missouri Sheriff's Retirement System supported the bill and stated there has been an ongoing battle to resolve the funding issue and after the failure of Amendment 6 they are running out of options. Additionally, they have looked into joining LAGERS and CERF but without a direct funding that is not a viable option at this time. Finally, if a solution is not found soon, their actuarial predicts the system will be bankrupt in nine years or less. Additional supporting testimony was provided by several county sheriffs and Missouri Sheriff's United who all stated with a lack of a stable retirement system, recruitment and retention of qualified Sheriff's has lessened over the last three years. No opposing testimony was presented to the committee. Informational testimony was presented by the Missouri Association of Counties who stated they are committed to finding a solution but utilizing the prisoner per diem without an increase in the current funding will receive some push back. Additional informational testimony was provided by the County Commissioner Association of Missouri and CERF.

### **Budget Update**

This week the House approved HB 14, which is nearly a \$2 billion supplemental budget to fund the state government through the rest of the current fiscal year. The legislature typically passes supplemental budget every year and it is common for unexpected financial needs to arise or for programs to cost more in reality than the projects that were approved in the previous year's budget. The supplemental budget was submitted by Governor Kehoe and according to the House Budget Committee Chairman Dirk Deaton (R-Seneca) this year's supplemental budget was less expensive than anticipated. The allocations include about \$300 million for public education, largely because last year's education bill passed late in the session and wasn't accounted for in the budget. Also included is new money for the Department of Natural Resources for wastewater management, funding for the Department of Mental Health to clear its waitlist for services for the developmentally disabled and funding for the Department of Agriculture to hire a staff member to respond to the current bird flu epidemic. Other specific items that were funded in Supplemental budget include:

- \$142 million General Revenue for the Foundation Formula, the state's calculation of state aid for education
- \$5.8 million Federal Funds for the state's Comprehensive Literacy Development Program
- \$700,000 Federal Funds for scholarships to incentivize completion of certification programs in early childhood education
- \$16.5 million for continuing operations of the Missouri First Steps Program
- \$2.2 million for the construction of an early childhood education center for public safety officers in St. Louis County
- \$14 million Federal Funds for area agencies on aging to provide vital food and nutritional services to older Missourians
- \$103 million Federal Funds for the summer school meal program for qualifying children
- \$3.9 million Federal Funds for the CHIP eligibility determination and enrollment system design and implementation
- \$106 million Federal Funds for continuing operations of the Children's Health Insurance Program (CHIP) for uninsured children
- \$48 million Federal Funds for the construction of a 200-bed in-patient psychiatric hospital in the Kansas City metro

- \$824 million Federal Funds for ongoing Medicaid programs

The Supplemental now heads to the Senate for further consideration. As the funding is essential for various offices to maintain its operations through the end of the fiscal year, It is expected that the Senate Appropriations Committee will start reviewing the proposal as early as next week.

### **Tidbits**

- The 2025 race for St. Louis mayor is officially a rematch. Alderwoman Cara Spencer won the primary for St. Louis mayor Tuesday evening. Current Mayor Tishaura Jones and Cara Spencer are now the top two candidates and will compete head-to-head in the April 8<sup>th</sup> general election. Spencer received 23,785 votes, whereas Jones only received 11,582. Current Recorder of Deeds Michael Butler was third with 8,679 and retired utility executive Andrew Jones garnered 4,757.
- After several lackluster months, February 2025 state tax revenues have risen by 5.9%. The increase in revenue equates to about \$48 million more in tax receipts this February compared to last year. Fiscal year-to-date, tax receipts are still slightly negative (-1.36%), lagging just about \$115 million behind from last fiscal year.
- This week, Governor Mike Kehoe announced three appointments to various boards and filled two county office vacancies. Former Senate Pro Tem Dave Schatz, of Sullivan, was appointed as the Franklin County Presiding Commissioner; Kathy Lambertz, of Harrisonville, was appointed as the Cass County Clerk; Scott Albers, of Country Club, was appointed to the Missouri Western State University Board of Governors; William "Blaine" Luetkemeyer, of St. Elizabeth, was appointed to the University of Missouri Board of Curators; and Todd Michalski, of St. Joseph, was appointed to the Missouri Western State University Board of Governors.

### **Hearing Schedules**

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

### **Chamber Floor Calendars**

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

### **Upcoming Dates of Interest**

- 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

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