

April 3, 2020

*In order to be responsive to the latest legislative developments, MOCPA continually monitors proposed legislation. The society utilizes both professional and grassroots lobbyists to ensure the CPA profession has a voice in Jefferson City. By keeping members informed, MOCPA is empowering you to contribute to the legislative process.*

**Update provided by Chuck Pierce, CPA, MOCPA government relations consultant**

### **Session Update**

Like all segments of society, the Missouri Legislature has been profoundly impacted by the COVID-19 outbreak. The Senate last met on March 12. The House met on a limited basis throughout the week of March 16. Both chambers observed the scheduled spring break March 23-27. Neither chamber has yet returned after spring break. The outlook for the rest of the session is very uncertain.

The Legislature faces many challenges in conducting businesses following the current guidelines for COVID-19. The Legislature is a creature of law, and the conduct of its business is governed in several statutes and the Missouri Constitution. Because of these restrictions, options for remote or virtual meetings are very limited. Despite these limitations and the challenges of the pandemic, there are still several items the Legislature must deal with this session.

At this point, the Legislature has at least three legislative priorities that it must deal with. These are passage of a supplemental budget, the extension of the Federal Reimbursement Allowance for Medicaid (FRA), and the passage of the fiscal year 2021 budget. Failing to pass all three of these will have dire financial consequences for the state.

Before adjourning for spring break, the House passed the FRA legislation and a supplemental budget. Theoretically, the Senate could convene and simply pass these two bills in a very short amount of time. The problem is that due to changes brought about by the federal disaster declaration relating to COVID-19, the supplemental budget passed by the House needs to be substantially changed. To make these changes, the Senate Appropriations Committee needs to meet. The Senate would need to vote on

the amended budget, and then the House would need to convene and vote on the amended budget.

The regular budget is equally challenging. The House has drafted a budget, but it has not been passed. Because of the economic and policy impact of COVID-19, that budget also needs to be changed dramatically. Making those changes requires action by the House in both committee and on the floor. Once the House passes the budget, the Senate will have to take it up in both committee and on the floor.

At this point, it is not clear exactly how the Legislature will accomplish these tasks. Doing so while adhering to appropriate social distancing requirements and complying with statutory and constitutional provisions is probably not possible. Legislative leadership is working on various strategies that will allow them to address this while minimizing risk to legislators and the public.

In addition to the logistical challenges, the Legislature has some hard deadlines to contend with. In order to maximize available federal funding this fiscal year, the supplemental budget needs to be passed by April 24. The regular budget must be passed by May 8, or the Legislature will have to return in a special session.

Although both chambers had been working on the budget, all the revenue assumptions in the current draft are now changed. The faltering economy and the tax deadline extensions have burned up the state's expected reserves for this fiscal year and changed next year's revenue projections from an assumption of growth, to assumptions of significant reductions. In response, this week Governor Parson announced withholdings of \$175 million of current year spending authority. Budget drafters are working feverishly to come up with revised revenue projections for next fiscal year.

The current assumption is that the Senate will return in the next week to take up the FRA and the supplemental budget. Whatever action they take will determine how much the House will need to meet. It is thought that work on the regular budget will be delayed as long as possible. This lets the analysts work on projections and keeps social distancing in place.

No one is talking about any scenario where the Legislature resumes business as usual for this session. It is possible, if the pandemic flattens in Missouri, members would be willing to convene in May to take up some other high-priority legislation. Anything that makes that list would need almost uniform agreement to have any chance of passing.

### **Legislation of Interest**

[Click here](#) to view the complete list of high-priority bills MOCPA is currently tracking. It is unlikely that any of these bills will change or advance this session.

### **For Additional Information**

This *Government Advocacy Update* will continue to be included in MOCPA's weekly Friday updates to the membership. Even with the Legislature not in session, there is a

lot of activity to keep up with in these uncertain times. If you have any questions on MOCPA's government advocacy efforts, please visit the [Web page](#), or contact [Dena Hull](#) at (800) 264-7966, ext. 105.