

2010 MO Legislative Wrap-Up

2010 VICTORIES AT A GLANCE

Maintained state funding for child care to qualify for \$38M in federal recovery funding.

Child care and transitional assistance programs finally codified in state statute.

New outreach methods for state children's health coverage will mean fewer uninsured children.

Children with autism will have necessary treatments covered by private insurance.

Foster children will have greater opportunities to access higher education.

Defeated regressive tax proposals that would have increased taxes for 95% of Missourians without raising any new revenue.

Enhanced Foster Care Clothing and Diaper Allowance will be included in the state's recurring budget.

Cyber Bullying will be included in school district policies to protect kids from new online threats.

Faced with nearly a 12% decline in state revenues and a \$500 million projected shortfall in the state budget, Missouri lawmakers spent much of the 2010 legislative session discussing how to downsize state government and reduce state spending.

While Partnership for Children argued for a balanced approach to balancing the state budget, unfortunately lawmakers declined to debate real revenue solutions that would protect critical services for children and families.

While child advocates can count many victories in the 2010 session, it is also clear that our victories will be increasingly limited in the coming years unless we change the conversation about adequate revenue to invest in our children now so that they can grow up healthy, happy, and with bright futures.

This year, a third of Missouri's legislature is leaving office due to term limits, providing an unprecedented opportunity to talk to candidates and voters about the need for a balanced approach to the state's budget crisis. Missouri's future depends on it.

Child Care Recovery Funding Maintained

Problem: Missouri already ranks 49th in the nation for providing child care assistance that keeps parents earning and children learning. Any further budget cuts this year would have disqualified Missouri from using federal recovery funding and reduced eligibility for child care even further.

Progress this Session: Missouri maintained sufficient state funding in the child care assistance program to draw down \$38.7 million in federal recovery funding that will be used to improve the quality and affordability of child care in FY'10 and FY'11. The House initially proposed a \$7.4 million cut from the governor's FY'11 budget. Lawmakers ultimately approved a \$3 million cut but one-time federal funding will be used to maintain current eligibility levels for child care assistance.

Child Care Assistance Put into Statute

Problem: Though the Department of Social Services operates a \$190 million budget for child care each year and serves more than 43,000 children, the program is not currently in state statute.

Progress this Session: Senator Justus (D-Kansas City) successfully added language codifying the state child care and transitional assistance programs on two separate bills that passed in the last week of session – HB 2290 and SB 1007. The bills require that eligibility for child care be subject to appropriations and also establish a sliding fee scale based on **adjusted** gross income. This will allow DSS to deduct certain expenses or income when determining eligibility and make it easier for some families to qualify.

Early Care & Education

Over 300,000 Missouri children under age 6 are in need of child care while their parents go to work.

Early Care & Education

Parents as Teachers Budget Cut 58%

Problem: As state revenues continued to fall below expectations this year, Governor Nixon instructed the legislature to cut \$500 million from his original FY '11 budget, putting many children's programs at risk.

Action this Session: State lawmakers ignored pleas from thousands of educators, recipients, and supporters of the Missouri-born Parents as Teachers Program, approving a 58% cut in the FY '11 budget. Governor Nixon also single-handedly cut nearly \$7 million mid-year from PAT in the FY '10 budget. These cuts mean that more than 69,000 families will be denied early childhood developmental screenings and other parent resources beginning July 2010. An additional 1,300 parent educators will lose their jobs.

Lawmakers also passed language on an omnibus education bill (HB 1543) that removes a requirement that PAT services be free, allows school districts to establish cost-sharing strategies for services, and requires that priority be given to high-needs families. By providing early screenings and resources for parents that help early childhood development, Parents as Teachers programs earn a high return on early investments. The short-sighted cuts approved this year will most likely result in increased costs in the future for special education when developmental delays aren't caught early on and for remedial education when children enter kindergarten less prepared for success.

Compromise on Gaming Funds for Early Childhood

Problem: Over the past several years, veterans groups have continually proposed legislation to redirect gaming revenues away from early learning and toward veterans' programs and services.

Action this Session: Partnership for Children worked closely with Rep. Chris Kelly (D-Columbia) this year to agree on compromise language that does not cut current funding levels for early childhood. HB 1893 splits any additional revenues from entrance fees to gambling boats that exceed FY'09 levels between Early Learning Programs and Veterans' Service Officers until each group gets an additional \$600,000. Once both groups receive \$600,000, the remaining money reverts back to supporting early learning. In exchange for working together on a compromise, Rep. Kelly publicly stated that he would work with children's advocates against any future proposals to take money away from early learning programs funded through gaming revenues.

Voluntary Pre-K

Problem: Though early childhood experiences are critical indicators of future school success, only 20% of Missouri 4-yr-olds are served by state funded pre-k, Head Start, or early childhood special education.

Action this Session: SB 980, sponsored by Sen. David Pearce (R-Warrensburg), and HB 2346, sponsored by Rep. Rodney Schad (R-Versailles) both would have tasked the Joint Committee on Education with conducting a study on various issues related to voluntary pre-k in Missouri and to produce a report by December 2010. The study would have included the current access 3 and 4-yr-olds have to voluntary pre-k in MO, public and private funding strategies from other states, and research on the impact of state early childhood initiatives on school readiness. Though these bills did not pass, it is up to the Committee to choose its own priorities for interim studies. PFC will be working with the Joint Committee to see if some provisions of the pre-k bill may be undertaken this summer in order to help inform future efforts to increase access to high quality voluntary pre-k programs that help children succeed in school and life.

Health

Outreach for Children's Health Improves

Problem: An estimated two-thirds of Missouri's uninsured children are eligible for state health coverage but are not enrolled due to administrative and financial barriers as well as lack of knowledge about the program. These barriers keep children from seeing a doctor when sick and getting preventive care.

Action this Session: SB 583, an omnibus insurance bill, addresses a key Partnership for Children priority: outreach to uninsured kids who qualify for the Children's Health Insurance Program (CHIP). Rep. Bob Nance (R-Excelsior Springs) sponsored this amendment that requires the Department of Social Services to distribute information on CHIP eligibility criteria and application procedures to school districts and licensed family-home providers. Parents would then receive this information upon enrollment in school or child care.

A new form would also be added to applications for the Free & Reduced Lunch Program, asking parents if any of their children are uninsured. If so, families would receive information on eligibility for CHIP. PFC will be working closely with the department over the next year to help implement the new law.

Another section of SB 583, originally sponsored by Rep. Therese Sander (R-Moberly), mandates health insurance companies to cover adopted children on the same basis as other dependents.

More than 100,000 children in Missouri are uninsured – two-thirds of them qualify, but are not enrolled in CHIP.

Children's Health Insurance Cut \$9 Million

Action this Session: State lawmakers cut \$9 million out of the FY '11 budget to insure low-income children after Governor Nixon failed to fully utilize allocated funding last year. For the past year, advocacy organizations like PFC and many others encouraged the governor to fulfill his campaign promises by supporting new administrative procedures to cover uninsured kids. Though the governor's office stated there wasn't enough money in the budget, at the end of the year \$9 million in revenue allocated for CHIP went unspent that could have covered as many as 9,000 uninsured children.

Autism Coverage

Problem: Though 1 in 110 children is diagnosed with an Autism Spectrum Disorder, private insurance companies in MO do not cover behavioral health treatments that develop important skills and improve outcomes for children with Autism.

Action this Session: The passage of HB 1311 means that insurance companies will now be required to cover treatment for children with autism beginning January 1, 2011. The final compromise legislation caps the amount insurance companies have to pay for applied behavior analysis (ABA) treatment at \$40,000 per year, adjusted annually based on the federal Consumer Price Index. Unfortunately, the 270,000 children with state coverage have been exempted from this new law, as well as children whose parents work for a small business or a business that is large enough to self-insure. While this new law doesn't go as far as we would have liked, we will be weighing in on this issue in future years to get equal treatment for ALL children.

Safety & Security

Tuition Waiver Funded for Foster Youth

Problem: Children in foster and adoptive care are less likely to attend college than their peers.

Action this Session: In a year where budget cuts were the rule, not the exception, a new \$100,000 decision item to cover college tuition for Missouri foster youth was a significant victory for some of the state's most at-risk students. The funding is estimated to provide college scholarships for 20 foster youth. Last year, Rep. Rachel Bringer (D-Palmyra) passed language authorizing a college tuition waiver for foster youth but it was unfunded.

Cyber-Bullying Measure Passes

Problem: Social networking and new technologies have opened up new vehicles for bullying and harassment, but Missouri's laws need to be reformed to punish online bullies and protect victims.

Action this Session: HB 1543, an omnibus bill relating to education and school violence, added "cyberbullying" to the list of required elements for school district anti-bullying policies. PFC has supported this new provision championed by Senator Yvonne Wilson (D-Kansas City) for several years.

TANF Drug-Testing Fails

Problem: MO lawmakers sponsored several proposals this year to single-out low-income families for drug testing and penalize parents rather than provide substance abuse treatment.

Action this Session: Fortunately, all proposals to implement a new drug testing program for recipients of Temporary Assistance for Needy Families (TANF) benefits failed to pass this year. Individuals who failed the drug test would have been required to complete a substance abuse treatment program in order to maintain TANF benefits. The state, however, would not be required to pay for the treatment program. PFC opposed this proposal because we believe the associated costs for a drug-testing program would be better directed toward substance abuse prevention and treatment programs that strengthen families and improve children's well-being.

Child Care Safety Loopholes Persist

Problem: The tragic deaths of two children in unlicensed child care programs in the past few years have shed light on several loopholes in state child care licensing and regulatory laws that put children's safety at risk.

Action this Session: HB 1614—"Nathan's Law"—sponsored by Rep. Rachel Storch (D-St. Louis) would have: removed an exemption for a caregiver's related children in complying with state child/teacher ratio laws; required license-exempt programs to disclose their exempt status to parents; increased the fine for violating licensing laws; and authorized DHSS to immediately close illegally operating unlicensed child care facilities. HB 1614 was referred to committee in the House but never received a hearing.

HB 1534—"Sam Pratt's Law"—sponsored by Rep. Linda Fischer (D-St. Francois) would have prohibited an unlicensed child care provider from continuing to provide services if there are criminal charges pending against them. Licensed providers are already subject to this restriction. Senator Scott Rupp (R-Wentzville) successfully amended the bill onto another omnibus judiciary bill in the last week of session but that measure failed to pass.

Taxes & Budget

Lawmakers Cut Budget, Ignore Revenue Options

Problem: Missouri state general revenue collections declined \$1.2 billion (15%) over the past two years. This unprecedented budget shortfall led Governor Nixon to cut over \$900 million mid-year from

the current FY 2010 budget and urge the legislature to cut an additional \$500 million from his proposed FY 2011 budget that begins July 1st. Tax breaks for the wealthy or unreasonable limits on state spending would restrict the state's ability to aid its most vulnerable citizens.

Action this Session: While lawmakers willingly approved \$484 million in cuts this year a full week ahead of the constitutional budget deadline, they were unwilling to even discuss other revenue and cost-saving options that would obviate the need for more devastating cuts in the next few years. Several common sense revenue solutions made little (if any) progress this year, including:

Reigning in tax credits. Spending on tax credits has increased 57% since 2001 while state general revenue collections only grew 15.7% over the same time period.

Ending sweet deal deductions and loopholes. Sales tax exemptions for yacht owners and tax discounts for corporations that file on time (aren't we supposed to do that?) could be repealed in favor of incentives that will actually increase jobs and put Missourians back to work.

Extending the state sales tax to internet purchases. This would enforce a tax that should already be collected and put Missouri's main street small businesses on an equal playing field with out-of-state internet based companies.

Closing corporate tax loopholes. Out of the 46 states that assess a corporate income tax, Missouri ranks **last** in per capita collections. While local Missouri businesses pay corporate income taxes, large national companies are able to set up tax shelters in other states and avoid paying taxes on their franchise stores in our state.

Increasing the tobacco tax. Missouri has long been the 2nd lowest taxing state for cigarettes at 17 cents a pack. Now that the South Carolina legislature recently voted to raise its tax from 7 to 57 cents, Missouri can proudly claim the bottom title. The average state cigarette tax is \$1.34 per pack. An increased tobacco tax would not only raise much needed revenue for the state, it would also reduce youth smoking rates and tobacco related health costs.

Mega Sales Tax Fails

Problem: A proposal to dramatically expand the state sales tax while eliminating income taxes for corporations and individuals would mean a tax increase for 95% of Missourians without generating any new revenue to help support critical programs and services.

Action this Session: Fortunately, all of the Mega Sales Tax proposals—otherwise known as the "Fair Tax"—failed to pass this year. All non-partisan studies of this proposal, including those conducted by General Assembly staff, concluded that the state's sales tax rate would have to rise to nearly 10% to cover lost revenue from the state income tax. In addition, the sales tax would be expanded to currently untaxed services, such as rent, utilities, child care, and doctor's visits. PFC believes that lawmakers should look at more responsible ways to generate revenue to help support schools, children's health, early learning opportunities and other programs and services our state needs to thrive.

Did you know?
Consumers are required to pay "use" taxes on items purchased on the internet. Failing to do so is against the law.

Partnership for Children is Greater Kansas City's leading child advocacy organization. Our mission is to focus the energy of our community and government on enhancing life for children and youth through research, education and advocacy.



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