

**Missouri Legislative Report**

March 27, 2020

When we wrote this report one week ago Missouri had 24 cases of the Coronavirus and one death. We now have 502 cases and 8 deaths. The pandemic escalated quickly and so has the government response.

One Missouri legislator, Rep. Joe Runions, and one employee of the Department of Economic Development have contracted the virus. All state office buildings, including the Capitol, are closed to the public through, at least, April 6.

**Stay at Home Orders**

Governor Parson has thus far resisted requests, including one from the Missouri state Medical Association, to issue a statewide Stay at Home order. He has [banned gatherings](https://governor.mo.gov/press-releases/archive/governor-parson-directs-dhss-director-require-social-distancing-statewide) of more than 10 people and directed bars and restaurants to limit service to delivery and pickup orders.

Every Stay at Home order that we have seen has used the U.S. Department of Homeland Security, Cybersecurity & Infrastructure Security Agency’s (CISA) [Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response](https://www.cisa.gov/publication/guidance-essential-critical-infrastructure-workforce#download) as the core of their list of businesses and workers deemed essential, with some variations.

The following Missouri cities and counties have issued their own Stay at Home orders. You can find links to each of their individual orders [here](http://nexus-grp.com/2020/03/coronavirus-in-missouri-which-counties-have-implemented-stay-at-home-rules/).

* Cities: Branson, Columbia, Kansas City, Springfield, St. Joseph, St. Louis City
* Counties: Boone, Cass, Clay, Cole, Greene, Jackson, Jefferson, Platte, Randolph, Ray, St. Louis

We are aware of instances in both St. Louis and Springfield where drivers have been pulled over by the police and asked to show documentation that they had been deemed an essential worker. Employees travelling in the jurisdictions listed above should be equipped with this documentation.

**Other Actions**

Governor Parson [requested](https://governor.mo.gov/press-releases/archive/governor-parson-requests-federal-major-disaster-declaration-missouri) a federal disaster declaration in Missouri to help respond to the pandemic. The Governor is requesting assistance from two FEMA programs: Disaster Unemployment Assistance and Crisis Counseling and the Public Assistance Program. The first would help newly unemployed individuals; the second would assist local governments and nonprofit agencies responding to the pandemic.

Governor Parson [granted](https://dor.mo.gov/news/newsitem/uuid/ad40f685-6b65-4df0-b376-c473bd50261e) until July 15 to pay income taxes and file tax returns, including estimated payments for this year, without penalty.

The Missouri Supreme Court [suspended](https://www.courts.mo.gov/page.jsp?id=153433) all in-person proceedings in appellate and circuit courts through April 17. This includes all associate, family, juvenile, municipal, and probate divisions.

**Missouri State Budget**

The second half of the 2020 legislative session will not at all resemble the usual flurry of activity that leads to the passage of 180-200 bills. The General Assembly will use whatever time they have remaining before their May 15 adjournment to address three priorities: the FY2020 supplemental budget, the extension of the FRA tax, and the FY2021 budget. There is also a possibility that a legislative relief effort may be drafted to address the health and economic impact of the pandemic.

*FY2020 Supplemental Budget*

A supplemental budget bill is passed nearly every year to allow the legislature and Governor to work together to address unforeseen issues in the current year’s operating budget. Given the current economic situation created by the COVID-19 pandemic, ensuring the General Assembly gives the governor the authority to spend federal aid that is on its way from Congress, is critical and must be done in the supplemental budget. Although a date has not been set for the House and Senate to return to work on the supplemental budget, a decision is expected early next week on a return date.

*FY2021 Operating Budget*

As was reported last week, the Missouri House of Representatives did not give final approval to its version of the Fiscal Year 2021 state operating budget. It remains unclear when the House will come back to complete its work on the operating budget. The Constitutional deadline for finishing the FY21 budget is May 8. However, Fiscal Year 2020 does not end until June 30th. Therefore, if the legislature is unable to finish its work on the FY21 budget, a special session could be called for May/June to complete that budget.

**The CARES Act**

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act, HR 748) was passed by the Senate late on Wednesday night and has been delivered to the House for action on Friday. A copy of the CARES Act, HR 748, may be found [**here**](http://nexus-grp.com/wp-content/uploads/2020/03/cares-act-hr-748.pdf).

Bill Passage

Speaker Pelosi will not attempt passage by unanimous consent but has provided assurance that members want to return to the House for debate and vote. The bill is expected to pass, and the President has already indicated his willingness to sign it as early as this weekend. The $2 trillion bill is considered “Phase 3” of Congressional action taken to fight the coronavirus pandemic. An additional $4 trillion in authority was provided to the Federal Reserve to further enhance their ability to ensure liquidity and credit in the markets laying the groundwork for a quick recovery at the point the virus is defeated.

Strategy

The approach to the package includes a combination of tactics: increasing appropriations to existing federal programs while loosening any existing program restrictions that would act as a barrier to efficient use to address COVID-19 impacts; creating new programs and direct payments to get money into the hands of businesses and families as quickly as possible to address the abrupt income losses; and supplementing amounts previously provided under the Phase 1 and 2 coronavirus response bills to address more updated information.

Bill Structure and Content

The bill is divided into two Divisions: Division A – Keeping Workers Paid and Employed, Health Care System Enhancements, and Economic Stabilization and Division B – Emergency Appropriations for Coronavirus Health Response and Agency Operations. Division A is organized by Sections that include: Keeping American Workers Paid and Employed Act; Assistance for American Workers, Families and Businesses; Supporting America’s Health Care System in the Fight Against the Coronavirus; Economic Stabilization and Assistance to Severely Distressed Sectors of the United States Economy; Coronavirus Relief Funds, and Miscellaneous Provisions.

Appropriations

A breakdown of the appropriations by Senate Appropriations Sub-Committee may be found [**here**](http://nexus-grp.com/wp-content/uploads/2020/03/emergency-supplemental-amounts-by-senate-approps-subcommittee.pdf).

A breakdown of appropriations by familiar federal program may be found [**here**](http://nexus-grp.com/wp-content/uploads/2020/03/emergency-supplemental-by-subcommittee-and-specific-program.pdf)**.**

The main highlights of those appropriations can be grouped by activity:

* $117 billion for Hospitals and Veterans Health Care
* $45 billion for the FEMA Disaster Relief Fund
* $16 billion for the Strategic National Stockpile
* $4.3 billion for the Centers for Disease Control
* $11 billion for Vaccines, Therapeutics, Diagnostics and other Medical Needs

The staff of the Senate Appropriations Committee reports a significant portion of the emergency supplemental goes to state and local governments for administration to their communities.

Keeping American Workers Paid and Employed Act

This section of the bill approaches the desire to keeping employees on the job and paid in a variety of ways by creating and expanding loans, loan guarantees, loan subsidies grants, secondary market guarantee sales and existing debt relief for a variety of eligible employers who agree to keep their employees on the payroll. The main vehicle for the new Paycheck Protection Program and the other tools identified in this section of the bill is the SBA and their 800+ certified lenders. The traditional eligibility factors and the eligibility criteria and processing are relaxed. The bill also authorizes the SBA to support the infrastructure of their resource partners, the Small Business (Technology) Development Centers and Women’s Business Centers to expand their training, technical assistance and support to entrepreneurs and small businesses. It expands the eligibility for entities applying under the SBA Economic Injury Loans and amends criteria under the Chapter 7, 11, and 13 Bankruptcy laws.

A more detailed description of the content for the Keeping American Workers Paid and Employed Act may be found [**here**](http://nexus-grp.com/wp-content/uploads/2020/03/cares-section-by-section-final-updated.pdf)**.**

Assistance for American Workers, Families, and Businesses

This section of the bill addresses unemployment assistance for displaced workers including those not typically covered by unemployment insurance (self-employed, independent contractors, those with limited work history and others) who are unable to work because of the coronavirus. The bill provides an emergency increase in unemployment benefits and provides temporary full funding allotment to cover the first week for states who choose to implement this provision. The provisions allow for an additional 13 weeks of unemployment compensation through December 31, 2020 for those who remain unemployed after the state benefits are no longer available. The section also provides for “short-term compensation programs” directed at the employer and the state.

The assistance also addresses rebates for individuals and families with adjusted gross incomes up to $75,000 ($150,000 married) with payments up to $1200 per adult and an additional $500 per child. This applies to persons with zero income and who may receive other means tested support from the federal government.

The bill addresses provisions for retirement funds, required minimum distributions, charitable contributions, and certain employer payments of student loans.

Support directed at businesses include employee retention credits, delay of payment of payroll taxes, treatment of operating losses, business interest, qualified improvement property, and a temporary exemption from excise tax for alcohol produced for hand sanitizer.

A more detailed description of the content for the Assistance for American Workers, Families and Businesses may be found [**here**](http://nexus-grp.com/wp-content/uploads/2020/03/cares-section-by-section-final-updated.pdf)**.**

Supporting America’s Health Care System in the Fight Against Coronavirus

This section of the bill addresses the supply chain and national stockpile for medical supplies and reiterates the treatment of respiratory protective devices as covered countermeasures.

The section requires the FDA to expedite the review of drug applications and to address measures to prevent drug and medical device shortages.

The section also defines eligibility and access to health care for COVID-19 patients as well as the coverage of testing for the virus.

Support directed at health care providers covers supplemental financing, telehealth and technologies, rural healthcare services, and assures liability protection for volunteers. And innovations in health are also supported through assistance with research and development and manufacturing scale-up.

Education provisions are also covered in this section including campus-based aid waivers, allowance for the continued payments under work-study and a variety of waivers and allowances for students and student loans.

Labor provisions include limitations on paid leave and paid sick leave among other waivers and finance provisions address health savings accounts, prescription medication, Medicare and Medicaid rules and allowances.

Health and Human Services are addressed through new TANF extensions.

A more detailed description of the content for the Supporting America’s Health Care System in the Fight Against Coronavirus may be found [**here**](http://nexus-grp.com/wp-content/uploads/2020/03/cares-section-by-section-final-updated.pdf)**.**

Economic Stabilization and Assistance to Severely Distressed Sectors of the United States Economy

This section of the bill focuses on the U.S. Treasury and Federal Reserve’s loans, loan guarantees and investments to eligible businesses, states and municipalities and directs certain opportunities to hard hit industries such as passenger air carriers, cargo air carriers and businesses important to maintaining national security. The opportunities include limitations on employee compensation, conflict of interest, continued operations, and establishes an oversight board.

The section also addresses expanding liquidity in credit unions and banks, and temporary relief for troubled debt restructuring. It includes prohibitions of mortgage foreclosures for a period of time on all federally backed mortgage loans and addresses the forbearance of residential mortgage loan payments for multifamily properties with federally backed loans as well as temporary moratoriums on eviction filings.

Aviation employees are addressed with a relief package dedicated to their salaries, wages and benefits for passenger carriers, cargo carriers and airline contractors.

The Coronavirus Relief Fund provides $150 billion to states, territories and tribal governments to use for expenditures incurred due to the public health emergency in the face of revenue declines to be allocated by population proportions with a minimum of $1.25 billion for states with relatively small populations.

A more detailed description of the content for the Supporting America’s Health Care System in the Fight Against Coronavirus may be found [**here**](http://nexus-grp.com/wp-content/uploads/2020/03/cares-section-by-section-final-updated.pdf)**.**

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