

Senator David Pearce

District 31



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Dear Friends:

This has been an eventful year for the Missouri Senate. We tackled several of our top priorities in the midst of a budget crisis, including ethics reform, autism insurance coverage, health care freedom and more. Through our innovative "Rebooting Government" initiative, we also took steps to make government more affordable and streamlined for Missouri taxpayers.

One of the 2010 session's highlights was the passage of a fiscally responsible budget for fiscal year 2011 that provides necessary programs and services without raising taxes on hard-working Missourians. As chairman of the Senate Education and Educated Citizenry 2020 committees, I'm also proud to say that we passed a handful of measures that will help our state's schools, students and teachers.

During a special session called in June, we also passed a job creation bill, as well as state employee pension reform, a move that will save millions of taxpayer dollars in the future.

If you have any questions or concerns about state government, or any suggestions for future legislation, please do not hesitate to contact my office. We are here to serve and represent you.

Senator Pearce's Passed Legislation

Sponsored

- Senate Bill 733: Equalizes Access Missouri scholarship award amounts for public and private universities and protects Bright Flight scholarships awarded to military students.
- Senate Bill 777: Allows for the sale of certain financial products and plans associated with certain loan transactions. Provides for boat slips to be included in appraisals and mortgages for condo sales.
- Senate Bill 940: Relaxes bingo regulations in Missouri.
- Senate Concurrent Resolution 31: Encourages students and faculty to promote international education at Missouri's colleges and universities.

Handled in Senate

- House Bill 1524: Changes the laws regarding veterans and members of the military and re-establishes the Missouri Youth Challenge Academy.
- House Bill 1543: Changes the laws regarding school employee liability, safety practices, reporting acts of violence, and school funding.
- House Bill 1544: Allows the state to continue receiving extended federal unemployment benefit funds and expands participation in the state's Shared Work program.
- House Bill 1612: Makes several changes to the law relating to sewer districts, including increasing the number of members on the sewer district board of trustees in Cass County from eight to 10.
- House Bill 2147: Exempts certain students who are dependents of recently retired military personnel from the three-year attendance requirement under the A+ Schools Program.



Passing a Fiscally Sound Budget for FY 2011

General Assembly Approves Budget Without Raising Taxes



Rebooting Government

This past session the Senate kicked off its innovative “Rebooting Government” initiative to begin reducing the size and scope of government to a sustainable level that taxpayers can afford for years to come.

We dedicated a work day to reviewing hundreds of citizen-submitted ideas for saving money and streamlining government services, programs, agencies and departments. The best suggestions were put into legislation, and though some will take extra time to work out, we did manage to pass a handful of cost-saving measures this year.

Bills to cut millions in Medicaid costs, eliminate certain printing expenses and combine the State Highway Patrol and Water Patrol were sent to the governor’s desk. State employee pension reform, which we passed during this year’s special session, was also part of the Rebooting Government plan to save millions of dollars for Missouri taxpayers.

Other measures, such as combining the departments of Higher Education and Elementary and Secondary Education, will likely be brought up again when we convene for the 2011 session.

Though lawmakers have different ideas for how to achieve cost-savings, one thing is certain: Our government at its current level is simply too expensive for Missouri taxpayers. Because a solid majority of us are committed to not raising taxes to make up for revenue shortfalls, we must scale back and re-examine how government should function.

This year the Legislature protected Missouri taxpayers by passing a budget for fiscal year 2011 (which began July 1, 2010, and runs through June 30, 2011) that funds government operations at a level taxpayers can afford—without a tax increase.

One of the most important duties of the Legislature each session is to assign funding for state programs, projects and services for the coming fiscal year. In fact, creating a budget is the only constitutionally required task lawmakers must complete every year by a certain deadline.

Despite this being the most difficult budget year in recent history, we were able to submit a balanced, responsible \$23.3 billion state spending plan that maintains our commitment to fiscal responsibility. Unlike Washington, D.C., we must have a balanced budget. We cannot deficit-spend. As a member of the Senate Appropriations Committee, I have experienced firsthand the budget process from start to finish, and the biggest challenge this year was trying to pin budget numbers to a moving revenue target.

With the state’s revenue decline more significant than expected, we were forced to cut approximately \$450 million from the governor’s initial funding recommendations for FY 2011, which he presented in January. We had nearly \$1 billion less to work with than last year, so painful decisions were inevitable. However, we worked diligently to minimize the effect of the budget cuts on Missourians, making reductions across

the board so no one area will bear the brunt. We also implemented common-sense spending cuts including trimming state departments, positions, equipment, travel and the Senate budget, which is estimated to save millions now and in the years to come. Perhaps even more importantly, we honored our pledge not to raise job-killing taxes on hard-working Missourians, no matter how dire the financial situation.

Despite the spending cutbacks, we were still able to support our top priorities—particularly education. The Legislature voted to maintain foundation formula funding for public K–12 schools at current levels to ensure that they have the core resources they need to educate our children at a level that meets our standards. For higher education, we were mindful of keeping college an affordable option for Missouri families by limiting funding cuts in exchange for a continued promise from universities to freeze undergraduate, in-state tuition rates.

Prior to the governor signing the FY 2011 budget into law, he did withhold about \$300 million from the budget we sent him to keep pace with the state’s current revenue flow. This is part of our state’s constitutional obligation to maintain a balanced budget.

Let me reiterate that none of the decisions to cut funding were easy, and they required a large amount of compromise to achieve our goal of making do with less. We know that next year the budget will probably be even tighter, so it was crucial that we lay the groundwork for a government that can run more efficiently with fewer resources.



Increasing Fairness for College Scholarships

One of my top priorities this past session, SB 733, makes significant changes to two of the state's major college scholarship programs, Bright Flight and Access Missouri.

For the Bright Flight Scholarship Program—which is a merit-based scholarship that encourages top-ranked Missouri high school seniors to attend Missouri colleges and universities—I wanted to ensure that awards are protected for our state's military. Many times, they cannot attend college in the traditional time-frame because of their military commitment. Under the bill, if a scholarship recipient cannot attend an approved institution because of military service, the student will still be able to receive the scholarship if he or she returns to full-time status within six months of completing service.

Senate Bill 733 contains several other Bright Flight provisions, including expanding scholarship eligibility to those who have completed alternative secondary education programs; specifying that all students in the top 3 percent of Missouri ACT or SAT test-takers will receive awards prior to any student in the top 4 or 5 percent receiving an award; and allowing a student to renew a scholarship for as long as he or she meets the renewal requirements.

The other part of the bill changes and

equalizes the financial aid amounts available through the Access Missouri Financial Assistance Program, which is a need-based program intended to increase accessibility to a student's school of choice. I, along with several of my colleagues, have worked for nearly two years on getting this change enacted into law, so to see it signed by the governor is a great finish to a long process.

Essentially, this part of the bill maintains current Access Missouri aid amounts through the 2013–2014 school year, and adds new financial assistance amounts for the 2014–2015 academic year and beyond. Under the new aid amounts, a student attending a public two-year school will receive between \$300 and \$1,300, while a student attending a public four-year school, or an approved private school, will be eligible for an award of \$2,850 maximum and \$1,500 minimum.

What we wanted to do was create a level playing field for public and private schools in our state. Taxpayers should not be funding higher awards for attending private schools, regardless if they cost more to attend. We must support Missouri's top-notch public colleges and universities and we must strive to make higher education affordable for every student, regardless of where they choose to go to school.

Promoting International Education

I sponsored Senate Concurrent Resolution 31 this year, which was endorsed by my colleagues in the Legislature. It's important for us to make Missouri a desirable place for international students to study because it helps enhance our students' learning experience as well as positively impacts our economy. The 10,000 international students Missouri hosts each year bring \$250 million to our state.



Senator Pearce with a group of international students who visited the Capitol.



I am honored to serve on the Missouri Veterans Commission.

Supporting Our Military and Veterans

The courageous individuals who defend our freedom and lay their lives on the line to protect this country deserve our highest respect and gratitude. We may never be able to truly repay them for the sacrifices both they and their families make on our behalf, but we can do our part to improve their quality of life when they come back home. One of the ways the Legislature can help is by creating laws that will have a meaningful impact on the lives of Missouri's service men and women.

This session the Legislature unanimously passed and the governor signed HB 1524, a comprehensive military family support bill that I handled in the Senate. Some of the provisions include streamlining absentee voting and registration for Missouri military personnel serving away from home; allowing an exemption for the A+ Schools Program's three-year attendance requirement for retired military dependents who move to Missouri within one year of retirement (also included in HB 2147, another bill I handled); and allowing the re-establishment of the Missouri Youth Challenge Academy for at-risk high school students.

In addition, I sponsored a bill that will relax bingo regulations in Missouri, allowing veterans' organizations and other volunteer groups the opportunity to be more productive and compete with riverboat gambling. Senate Bill 940 expands the hours during which bingo halls can operate, increases the number of games they are able to hold, and raises the cap on the amount of money they are allowed to spend on advertising.

These changes to help improve the quality of life for our military, veterans and their families are just a small gesture of thanks and appreciation. We must always remember the sacrifices made for our freedom and strive to show our gratitude to these brave men and women.

Senator David Pearce

2010
Legislative Report



Of the more than 1,800 bills and resolutions filed by lawmakers this year, 32 Senate bills and 74 House bills made it past the finish line before the 6 p.m. deadline on Friday, May 14. Bills relating to ethics, adult businesses, abortion, autism and health care were all passed by lawmakers this year. Most of the bills take effect Aug. 28, the standard effective date.

Ethics reform (SB 844):

Strengthens the ethical standards for those serving in state government by allowing the Missouri Ethics Commission to investigate ethics violations without an outside complaint being filed; requiring contributions of more than \$500 to incumbent officials and their challengers during legislative session be electronically reported within 48 hours; and limiting the transferring of contributions among most committees.

Adult Business Regulation (SB 586): Toughens regulations on sexually oriented businesses in Missouri by limiting where they may be established and who may establish one; restricting certain activities within such a business; limiting the hours of operation; barring anyone younger than 18 from the premises; and prohibiting the use, sale and consumption of alcohol.

Anti-Abortion (SB 793): Expands the state's informed consent requirements for abortion by requiring that a pregnant woman—at least 24 hours prior to obtaining an abortion—receive various printed materials detailing the risks of the procedure and the development of the baby, and the opportunity to view an ultrasound and hear the heartbeat. Also requires the doctor to discuss the medical assistance and counseling resources available, advise the woman of the father's liability for child support, and provide information about the Alternatives to Abortion Program.

Autism Insurance (HB 1311): Requires health carriers that issue or renew health benefit plans on or after Jan. 1, 2011, to provide coverage for the diagnosis and treatment of autism. Also prohibits health carriers from refusing to cover an individual or dependent solely because the individual is diagnosed with autism. (Coverage for applied behavior analysis, a common treatment method for autism, will be limited at \$40,000 annually through age 18). In addition, the bill contains an exemption for small businesses if providing coverage for autism increases their premium costs by a certain percentage.

Health Care Freedom Act (HB 1764): After being approved by Missouri voters, this new law prohibits any person, employer or health care provider from being compelled to participate in any health care system. (This ballot issue is in response to the federal health care bill passed earlier this year by Congress.)

Special Session a Success

The governor called a special session that ran June 24–July 14, calling on the Legislature to work on two issues: job creation and retention for the auto manufacturing industry and state employee retirement. We passed two bills, the first being HB 1, which will implement several cost-saving measures for the state pension system. New employees hired by the state after January 1, 2011, will contribute 4 percent of their pay to the retirement system; work a longer amount of time for normal retirement; and work for the state for at least 10 years to be vested. This proposed change does not apply to teacher retirement or current state employees, nor does it create an investment board. It is projected to save taxpayers approximately \$660 million over the next 10 years.

House Bill 2, better known as the Manufacturing Jobs Act, was also approved after more than 20 straight hours of discussion. This bill provides tax incentives for qualified suppliers or manufacturing facilities that create or retain Missouri jobs and bring new product lines to the state. Though it could apply to similar companies, it's mainly targeted at a specific auto company and its plant near Kansas City, which employs more than 3,700 people. Tax incentives will be capped at \$15 million annually for 10 years, and recipients must meet a stringent set of requirements, further illustrating that HB 2 is not a bailout for the auto industry.



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