



FEDERAL STIMULUS PACKAGE

The U.S. House and Senate struck a deal on a \$789 billion package Wednesday. A final vote is expected sometime today in both chambers clearing the way for President Obama to sign the bill by Monday.

Although the final legislative language is not available, the deal did result in the slashing of \$25 billion from a proposed state fiscal stabilization fund and a \$16 billion line item for school construction.

Missouri lawmakers continue to discuss how best to utilize stimulus funding. Leadership in both chambers continues to voice opposition to Governor Nixon's intentions to include the funding in his proposed operating budget.

Budget Chairman Gary Nodler and Senator Joan Bray introduced legislation that would create specific funds for all federal stimulus dollars to address transparency concerns of how the funds will be spent, which in their opinion will help identify what may need to be cut after the funding is exhausted.

HOUSE APPROPRIATION - EDUCATION

The Committee met on February 10 to continue the Department of Elementary and Secondary Education's budget presentation. State departments including DESE were asked to present three budget scenarios assuming a 15%, 20% and 25% reduction in funding without consideration of the anticipated federal stimulus funding. Assuming a 25% reduction, approximately \$85 million in funding would be cut including critical needs funding of approximately \$4.9 million and \$24.6 million in transportation funding. DESE was also asked to project cuts assuming a 15% reduction in Lottery funding. As presented, this would represent an additional cut of \$9.8 million in transportation funding, which coupled with the \$24.6 million reduction assumed under the 25% scenario mentioned above, would bring reimbursement down from approximately 42% to a mere 32%. Furthermore, Character Education funding of \$860,571 would be completely eliminated.

MOTOR FUEL TAX EXEMPTION

Education groups testified in support of two bills that provide a motor fuel tax exemption for school buses, which could translate into a saving of approximately \$3.2 million annually for school districts. HB 112 (Brian Munzlinger) and HB 87 (Maynard Wallace) were presented to the House Tax Reform Committee on February 4. There was discussion on how the measure could disproportionately benefit rural school districts and it was pointed out that the language needs to be tightened as currently the exemption could be opened up to parents transporting children.

CHARTER SCHOOLS

A bill aimed at expanding charter schools was presented to the Senate Education Committee on February 4. Because of the number of witnesses wishing to testify in support and opposition to SB 64 (Scott Rupp), testimony was continued on February 11. Concerning provisions of the bill include the ability to: allow a charter school in provisionally accredited districts or in any school district that for any two of the past three years has obtained a score on its annual performance evaluation consistent with the classification of provisionally accredited or unaccredited; expand sponsorship to the mayor of St. Louis City, in addition to any private or public four-year college or university with an approved teacher preparation program and with its primary campus in Missouri; allow drop-out prevention or recovery charter schools to enroll nonresident pupils from the same or adjacent county.

Executive Director John Urkevich testified on behalf of Cooperating School Districts of Greater St. Louis in opposition to the expansion of geography or sponsorship of charter schools. Dr. Urkevich indicated charter schools continue to perform without the accreditation process and data-reporting process that holds Missouri public schools accountable. Furthermore, he cited study results showing many charter school authorizers lacking the capacity to adequately oversee charter school operations, lacking authority to implement formal sanctions and rarely exercising the authority they have to revoke or non-renew a charter.

OPEN ENROLLMENT

HB 217 (Ted Hoskins), which would require DESE to establish criteria for the admission or rejection of nonresident students from unaccredited districts to adjoining accredited districts, was scheduled to be presented to the Special Committee on Urban Issues on February 9. The hearing was scheduled to begin at 5 p.m. However, upon arrival individuals wishing to testify discovered the bill had already been presented as the hearing had begun nearing 20 minutes early. It was determined that Representative Hoskins who is also the committee chair of Urban Issues, had made a last minute change to the hearing schedule. A twenty-four (24) hour notice is typically required, so it is likely that a “make-up” hearing will be scheduled. CSD of Greater St. Louis handed out written testimony upon conclusion of the hearing.

TAXATION

HJR 23 (Allen Icet) was heard in the House Budget hearing on February 11. The measure is commonly referred to as “TABOR” or the Taxpayer Bill of Rights. The constitutional amendment would impose a permanent, constitutional spending limit on state government and would limit annual growth in state appropriations to a cost-of-living-adjustment factor plus a population growth factor.

The House Ways and Means Committee heard HB 591 (Mike Sutherland) on February 12. The bill would allow voters to petition for an election to lower the tax rate ceiling of a political subdivision when at least 10 percent of the registered voters within the taxing authority’s boundaries sign the petition. In the event that at least 60 percent of the votes are in favor, the tax rate ceiling would be lowered.

Education groups including CSD of Greater St. Louis testified in opposition citing the bill would have an unintended, devastating effect on a school district's ability to not only plan budgets and offer consistent programs, but would make it difficult if not impossible to meet a number of long term financial obligations. Given the detrimental impact this would have on public schools statewide, we don't anticipate much movement of the legislation other than possibly making it out of committee given the bill sponsor is the House Ways and Means Committee Chair.

HOUSE COMMITTEE ACTION

A committee substitute for HB 96 (Maynard Wallace), which changes the laws regarding school employee liability, safety practices, and reporting acts of violence was voted out of the House Elementary and Secondary Education Committee on February 3. HCS for HB 96 limits the ability to commission certified law officers to the Blue Springs school district. The bill was later voted out of the Rules Committee on February 10.

HB 88 (Michael Brown), which would authorize a tax credit for employers who hire certain high school students for summer jobs, was heard in the House Job Creation and Economic Development hearing on February 3.

The House Elementary and Secondary Education Committee heard three bills on February 11. The original HB 236 (Lipke), referred to as "Kaitlyn's Law" would require school districts to allow a student with a disability who will have completed four years of high school at the end of a school year to participate in the graduation ceremony and receive a certificate of completion if the student's IEP prescribes special education, transition planning, transition services or related services beyond the student's four years of high school. A recommendation was made to allow a district the discretion of giving a certificate of attendance or a diploma instead of limiting to a certificate of completion.

HB 290 (Wells) was also presented which would require school districts to adopt a policy for the random testing of teachers and other employees for the unlawful use of controlled substances. The sponsor indicated the legislation is necessary as many districts are hesitant to employ such measures for lack of clarity in statute. Chairman Wallace indicated school districts already have the ability to establish testing programs and expressed concern about tying the hands of local school boards by mandating such a measure. MNEA testified in opposition to testing for any reason other than on the grounds of reasonable suspicion.

A bill aimed at providing an equal pay scale for nurses as provided for teachers in the same district was also heard. Several practicing school nurses and MNEA testified in support indicating that without the measure, schools will continue to lose current nurse staffing. According to the bill sponsor, the average beginning salary is approximately \$23,000. It was noted that many school districts throughout the state are currently paying their nurses on the same pay scale as their teachers.

The committee chair Representative Wallace then brought HB 289 (Wallace) up for consideration during Executive Session, which was passed out of committee with consent status. Wallace also mentioned his school safety bill as well as Representative Kingery's four- school day legislation is likely to see house floor action in the near future.

SENATE COMMITTEE ACTION

The Senate Health, Mental Health, Seniors and Family Committee heard a piece of Senator Charlie Shields' priority legislation dealing with a quality rating system for child care facilities on February 3. The sponsor feels a rating system will encourage early-childhood education programs to improve the services they provide and provide a way for parents to find better education opportunities for their children. The bill was later brought up and passed during Executive Session on February 10. The legislation is likely to be brought up for perfection on the Senate floor in the next week or so.

The Senate Transportation Committee heard SB 129 (Ryan McKenna) on February 4. The bill would prohibit school bus drivers from using wireless telephones or other wireless communication devices while operating school buses on the highways. The Missouri Association of School Administrators and Missouri School Board Association testified for informational purposes only indicating most school districts already address this issue in school policy and cautioned the sponsor that under the bill's current language an unintended consequence banning the use of a two-way radio could exist.

In addition to hearing the continuation of testimony on Senator Rupp's charter school legislation on February 11, the Senate Education Committee also heard two bills including SB 175 (Eric Schmitt), which would require DESE to produce and distribute a guidance document known as "The Parents' Bill of Rights" for parents of children with an individualized education program and SB 78 (Yvonne Wilson), which creates the Missouri Senior Cadet Program for the mentoring of kindergarten through eighth grade students by high school seniors. Qualifying mentors would in turn be eligible for higher education scholarships.

The Committee then went into Executive Session and voted out SB 55 (Rita Days) as a Consent Bill. The bill would allow school districts to maintain records digitally or electronically.

ADDITIONAL BILLS OF INTEREST

HOUSE BILLS

HB 509 Stream	Requires all school districts to have physical education programs.
HB 518 Lampe	Changes the laws regarding bullying in schools.
HB 521 Roorda	Prohibits a school district from scheduling a day or a half day off of school within five weekdays of Veterans Day unless the district also schedules Veterans Day as a day off.
HB 526 Grisamore	Requires the Department of Elementary and Secondary Education to develop and produce "The Parents' Bill of Rights" for parents of students who have an individualized education program.
HB 528 Grisamore	Changes the income tax credits available for certain individuals for the costs of modifications to a home in order for it to be accessible for a disabled person or senior citizen who resides with them.

HB 541 Kraus	Specifies that any fine collected for a red light violation by an entity utilizing an automated photo red light enforcement system must be given to the local school district where the infraction occurred.
HB 542 Walsh	Requires the Department of Elementary and Secondary Education to recalculate the state school aid for the Riverview Gardens School District to correct an error.
HB 545 Smith-150	Increases the deductions for personal and dependency exemptions.
HB 547 Dixon	Authorizes an income tax credit for donations to public school foundations.
HB 553 Spreng	Authorizes a tax credit equal to 100% of the state sales tax paid on any motor vehicle assembled and purchased in Missouri.
HB 557 Guest	Establishes the Unfunded Mandate Act which requires taxation of all real property owned or occupied in Missouri by the federal government unless the state receives federal funds unencumbered by mandates.
HB 567 Oxford	Changes the laws regarding the Missouri individual income tax.
HB 572 Corcoran	Authorizes cities with at least 5,000 inhabitants to levy property taxes for certain municipal purposes.
HB 576 Diehl	Changes the laws regarding neighborhood improvement districts, community improvement districts, and transportation development districts.
HB 591 Sutherland	Authorizes voters to petition for an election to lower the tax rate ceiling of a political subdivision.
HB 596 Molendorp	Authorizes school districts to enter into design-build contracts for construction projects costing more than one million dollars.
HB 598 Scavuzzo	Requires the Department of Revenue to award fee office contracts in a competitive bid process with priority given to school districts and charitable organizations over individuals.
HB 601 Scharnhorst	Limits increases in assessed valuation on principal residences to the percentage of increase in the Consumer Price Index in the previous year.
HB 605 Aull	Changes the laws regarding the school funding formula relating to the performance levy.
HB 610 Oxford	Provides outreach services, educational training for child care professionals, and subsidies for early childhood programs.
HB 620 Hoskins-121	Repeals the 2% gross receipts sales tax on pull tab cards and the two-tenths of one cent tax on bingo cards sold by charitable organizations.
HB 625 Parkinson	Exempts personal and residential property owned by certain taxpayers 65 years of age or older from increases in assessed valuation and limits increases in their personal and property tax.
HB 626 Oxford	Establishes lower permissible class sizes for school districts in St. Louis City and St. Louis County.

HB 636 Holsman	Creates the Persistence to Graduation Fund to distribute grants to certain school districts for drop-out prevention efforts.
HB 637 Holsman	Establishes lower permissible and desirable class sizes than currently exist in administrative rules for the Kansas City school district.
HB 653 Schad	Modifies the calculation of summer school average daily attendance under the school funding formula.
HB 656 Cooper-155	Protects teacher academic freedom to teach scientific evidence regarding biological and chemical evolution.
HB 659 Dusenberg	Provides a transition to local governance for school districts governed by a special administrative board appointed by the state board of education.
HB 664 Smith-150	Phases out the personal property tax on motor vehicles.
HB 669 Schaaf	Expands the areas in which charter schools may be operated.
HB 671 Lair	Revises various laws regarding bingo.
HB 682 Swinger	Modifies the number of school days to be made up due to inclement weather.
HB 684 Gatschenberger	Limits increases in assessed valuation on residential real property to the percentage in increase in the Consumer Price Index.
HB 689 Bringer	Makes background checks and fingerprinting for teachers valid for one year, even if they move from district to district or change certification.
HB 699 Zimmerman	Modifies the definition of "public governmental body" as it to the Missouri Sunshine Law.
HB 700 Zimmerman	Allows senior citizens 62 years of age or older to delay paying property taxes on their residences under certain conditions.
HB 704 Hoskins-80	Provides an income tax credit for individuals 70 and older for fifty percent of personal property taxes paid on motor vehicles.

HOUSE JOINT RESOLUTIONS

HJR 22 Davis	Proposes a constitutional amendment eliminating the personal property tax and limiting the tax on real property to no more than 1% of the property's true value.
HJR 23 Icet	Proposes a constitutional amendment prohibiting appropriations in any fiscal year from exceeding certain limits.
HJR 26 Jones-89	Proposes a constitutional amendment which would exempt from property tax one motor vehicle licensed in Missouri and owned or leased by a veteran or the veteran's surviving unwed spouse.

SENATE BILLS

SB 280 Rupp	Specifies that insurance companies subject to an annual tax on gross premium receipts are exempt from the imposition of Missouri's corporate income and franchise taxes.
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SB 300	Bray	Modifies provisions relating to the individual income tax.
SB 302	Smith	Creates a tax credit for contributions to certain after school programs.
SB 313	Nodler	Creates two separate funds within the state treasury to receive and retain funds provided under the American Recovery and Reinvestment Act of 2009.
SB 314	Smith	Creates the Missouri Preschool Plus Grant Program.
SB 315	Smith	Modifies provisions of law requiring the provision of personal property lists.
SB 316	Smith	Modifies provisions on education courses regarding sexual predators, human sexuality and sexually transmitted disease.
SB 324	Ridgeway	Modifies provisions relating to teacher and school employee retirement systems.
SB 325	Ridgeway	Allows school boards to enter into agreements with a county, town, city, or village for educational facilities and purposes.
SB 327	Crowell	Modifies provisions relating to teacher and school retirement systems.
SB 329	Bray	Enacts the Preventions First Act.
SB 344	Lager	Creates the P-20 Council to create a more efficient and effective education system.
SB 345	Lager	Allows school boards to adopt a four-day school week instead of a five-day school week.
SB 358	Purgason	Increases the assessed valuation a county must maintain in order to move into a higher classification.
SB 367	Ridgeway	Phases out the corporate income tax.
SB 373	Mayer	Creates procedures for open enrollment of public school students across school district boundary lines.
SB 375	Mayer	Provides health insurance coverage for Phase I clinical trials for cancer treatment.