



BUDGET HEARINGS

The House Appropriations – Education Committee met on February 17 and February 25 to further discuss budget recommendations. The Committee briefly discussed their completed budget report on the February 25, which will be distributed next week.

The Department of Elementary and Secondary Education provided an overview of their proposed budget to the Senate Appropriations Committee on February 23. Before beginning their review, committee members sought clarification from DESE as to what federal stimulus funding is available for K-12 and how it can be spent. DESE indicated they are not sure at this point, but currently have staff looking into the federal stimulus bill to determine this information. There continues to be considerable debate as to whether or not the state can legally take federal money to replace general revenue, which would then allow the state to use that general revenue to fund one-time construction projects.

Items discussed in greater detail during their presentation include: transportation reimbursement; MoVIP; and charter school study funding. Of the \$131 million in additional funding requested for transportation, which would have brought the level of reimbursement up to the allowable 75 percent, the Governor recommended \$15.8 million, which brings the level to approximately 45-46 percent. DESE also noted the proposed \$1 million cut in the Missouri Virtual Instruction Program will result in the elimination of 233 slots, which prompted considerable discussion among committee members. Several members felt that in consideration of increased demand and positive evaluation results, the program should instead be expanded through increased funding. There was also a request for \$200,000 to fund a charter school study, which according to DESE has the potential to draw approximately \$300,000 in private funding. The Governor did not concur with this request. Senator Rupp suggested that federal stimulus funding could be an appropriate one-time funding mechanism for such a study. Senator Wilson also expressed concern over the current charter school study appropriation of \$62,500, which is still being held by the Governor.

ADMISSION OR REJECTION OF NONRESIDENT STUDENTS

HB 217 (Hoskins), which requires DESE to establish criteria for the admission or rejection of nonresident students from unaccredited districts to adjoining accredited districts, was supposed to be brought forth during Executive Session on February 23 in the Special Committee on Urban Issues. However, because of the last minute scheduling change last week, which prevented testimony to be heard, the bill sponsor/committee chairman agreed to reschedule the hearing for next week.

MOTOR FUEL TAX EXEMPTION

HB 87 (Wallace) and HB 112 (Munzlinger), which grant a motor fuel tax exemption on fuel used for school buses, were passed from the House Tax Reform Committee on February 18.

TABOR

The House Budget Committee passed a HCS for HJR 23 (Icet) on February 18 by a vote of 16-13. HJR 23 is a constitutional spending limit similar to the Colorado provision known as "TABOR," or the so-called "Taxpayer Bill of Rights," which 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 estimated net effect on General Revenue for FY 2012 is (\$64,448,584). The committee substitute makes several changes, including making the automatic tax cut provisions temporary, rather than permanent and creating a fund where revenues that can't be spent can be held and used subject to appropriations approved by two-thirds majorities in both chambers. The bill was later voted out of the House Rules Committee on February 24.

HOUSE COMMITTEE ACTION

House Elementary and Secondary Education Committee

The following bills were heard during the Elementary and Secondary Education hearing on February 18:

HB 488 (Schad) revises the laws regarding the restructuring of an unaccredited school district. The bill allows the State Board of Education to determine a date not prior to June 30 of the second full year on which an unaccredited school district will lapse. The bill also changes the purpose of the hearing, which the Department of Elementary and Secondary Education is required to hold, from reviewing the district's plan for regaining accredited status to discussing the district's accreditation status. An additional option is created to allow continued governance of a lapsed district by its existing local school board under conditions established by the state board.

HB 490 (Schad) allows all public vocational and technical schools to participate in the A+ Schools Program without stipulations.

HB 682 (Swinger) allows an exception for the 2008-09 school year regarding the laws for school make-up days due to inclement weather. Currently, schools are required to make up the first six days of school lost due to inclement weather and half of the additional days lost in excess of the first six. This bill allows an exception for the 2008-09 school year by requiring schools to make up half of the remaining lost days up to a total of 10 full make-up days. The bill includes an emergency clause.

The Committee then went into Executive Session and voted out the following bills with Consent status:

HB 236 (Scott Lipke) requires school districts to allow certain students with disabilities to participate in graduation ceremonies after four years of high school attendance.

HB 682 (Swinger) as listed above. The bill was later voted out the Rules Committee on February 24.

The following bills were heard during the Elementary and Secondary Education hearing on February 25th:

HB 689 (Bringer) would allow criminal background checks for teachers and other school personnel to be valid for one year even if they move from one district to another or there is a change in the type of teacher certification. CSD of Greater St. Louis as well as other education groups testified in support of the measure.

HB 542 (Walsh) requires DESE to recalculate the state school aid for Riverview Gardens School District.

HB 509 (Stream) would require daily participation in physical education for students in kindergarten through eighth grade for the entire school year. Students in elementary schools would participate for at least one hundred fifty minutes during each school week, and students in middle school would participate for at least two hundred twenty-five minutes per school week. A minimum of one recess period of twenty minutes per day would be required in kindergarten through fifth grade. The bill also includes the disallowance of exempting physical education courses for marching band or athletic team members. A committee substitute is anticipated, which will remove language dealing with students with disabling conditions as it was pointed out an IEP already sets forth the requirements.

HB 304 (Schad) specifies the meaning of "significant difference in the time involved in transporting students" for purposes of elections to change school district boundaries as one or more hours per day. Testimony will be continued next week as the Committee ran out of time. Chairman Wallace has several concerns with the bill as drafted, so changes are anticipated before it will be considered for Executive Session upon completion of next week's hearing.

The committee then went into Executive Session and passed out the following bills:

HB 488 (Schad), which deals with the restructuring of school districts and HB 490, which deals with the A+ Schools Program.

The House Retirement Committee heard HB 265 (Ward) on February 19. The bill changes the laws regarding the Public School Retirement System of Missouri and the Public Employee Retirement System of Missouri. In addition to several technical changes, the bill: allows the commingling of PSRS and PERS funds with separate accounting; provides guidelines when purchasing prior service credit; allows both systems to prohibit or impose requirements for purchasing service if necessary to comply with federal law; outlines the order in which benefits would be paid upon the death of a member; prohibits additional nonprofit educational associations or organizations from becoming a member of either system beginning July 10, 2010; and provides indemnification of trustees or employees of

the systems against liability claims. A substitute for HB 265 is anticipated which will allow a member to change a beneficiary upon a divorce.

HB 76 (Lampe) was heard in the House Health Care Policy hearing on February 24. The bill changes the laws regarding the identification, assessment, and education of children with autism spectrum disorder. CSD of Greater St. Louis testified in support of the measure.

HOUSE FLOOR ACTION

HCS for HB 96 (Wallace) received final passage in the House by a vote of 160-0 on February 18. The bill changes the laws regarding school employee liability, safety practices and reporting acts of violence. Three amendments were adopted including:

HA 1 (Bringer) provided clarification that only certificated personnel may use corporal punishment if allowed while all school personnel may use reasonable force to protect persons or property.

HA 2 (Duesenberg) made a technical change regarding the officer language pertaining only to the Blue Springs School District.

HA 3 (Bringer) clarifies that when a transferring student has committed a reportable offense, notice of the specific offense will be attached to the student's transcript and record only in cases where the student has been certified for trial as an adult. In cases where the student is under the jurisdiction of the juvenile court, the notice will state only that a reportable offense has been committed by the student.

HCS for HB 242 (Kingery) received preliminary passage in the House by a vote of 98-62 on February 25. It then received final passage by a vote of 101-60 the next day. The bill provides school districts an option to move to a four-day school week. There was considerable debate on the bill as many legislators in opposition fear the bill could lead to higher day-care costs and a potential spike in crime and teenage pregnancies. Proponents of the bill feel it should be left up to local control to decide what is best for their district.

The House gave final approval to HCS for HB 86 (Sutherland) on February 26 by a vote of 138-23. Beginning January 1, 2010, this bill increases the outstanding shares and surplus threshold amount used to calculate a corporation's annual franchise tax from \$1 million to \$10 million. The estimated net effect to the General Revenue Fund for FY 2011 is (\$7,180,344 to \$12,200,000).

SENATE COMMITTEE ACTION

Senate Education Committee

The following bill was heard during the February 18 hearing:

SB 345 (Lager) allows school boards to adopt a four-day school week. The bill is identical to Representative Kingery's HB 242, which was passed in the House. Education groups testified in support of the measure as long as local control is maintained.

The following bills were heard at the February 25 hearing:

SB 291 (Shields) deals with the virtual school program. Currently, DESE provides oversight for the Missouri Virtual Instruction Program and contracts with certain entities that provide the curriculum. However, for the upcoming school year the curriculum will be shifted to the University of Missouri's eMINTS center. SB 291 would allow school districts to develop a virtual program based on Show-Me Standards for any grade level in a virtual setting and receive state funding. The attendance of a student enrolled in a district virtual class would equal, upon completion, ninety-four percent of the hours of attendance possible for such class delivered in the non-virtual program.

Senator Shields indicated the legislation was requested by Park Hill School District who had several representatives in attendance that testified. According to testimony, the district has sixteen students participating in their virtual school pilot program with curriculum developed by the district as stated above. If the measure is passed, the district anticipates an additional 100-200 students to enroll in their program.

CSD of Greater St. Louis, DESE and many other education groups testified in support of the measure, which is thought to provide increased local control, accessibility and supervision as well as a closer alignment to a particular district's curriculum. Proponents also feel the measure will provide an alternative to struggling participants by allowing a student to slide to a "face-to-face" as needed, rather than simply dropping the course.

SB 116 (Bray) creates the "Persistence to Graduation Fund" to distribute grants to certain school districts for drop-out prevention efforts. Grants may be available to school districts that have at least sixty percent of students eligible for a free and reduced lunch preference would be given to school districts that propose a holistic approach to drop-out prevention as described in the act. CSD of Greater St. Louis, NEA, AFT and Steve Carroll with St. Louis Public Schools testified in support of the measure.

SB 51 (Bray) was not heard as the committee ran out of time, but will be presented next week. The bill requires the State Board of Education to classify a charter school as "unaccredited" based on annual performance review scores. CSD of Greater St. Louis will testify in support of the measure.

The Senate Financial and Governmental Organizations and Elections Committee met on February 16 and heard SB 151 (Clemens). The bill would require high school students to fulfill the personal finance graduation requirement by completing a course through their school district or the virtual public school. Students would not be able to test out of the one-half credit hour requirement.

The Senate Seniors, Families and Public Health Committee heard SB 96 (Justus) on February 17. The bill establishes the "Foster Care Education Bill of Rights Act," which

would require each school district to select a staff person as the educational liaison for foster care children. The liaison would ensure and facilitate the educational placement and enrollment. The bill further outlines attendance guidelines, graduation requirements, accessibility of school records and children in licensed residential care facilities.

ADDITIONAL BILL SUMMARIES

HOUSE BILLS

HB 717	Tilley	Relating to educational personnel compensation, with an emergency clause for certain sections.
HB 730	LeVota	Authorizes a tax credit to an individual, partnership, or corporation for 100% of the salary and benefits paid to an employee while on active military duty as a member of a reserve or national guard unit.
HB 744	Icet	Creates the Missouri Family Recovery Plan Fund and the Economic Stimulus Fund in the state treasury to receive moneys provided under the federal American Recovery and Reinvestment Act of 2009.
HB 757	Grill	Requires local school districts to develop and implement a coordinated school health program under guidelines established by DESE, in consultation with DHSS.
HB 762	Grill	Requires school board members to have lived in the school district for one year prior to serving on the board.
HB 763	Grill	Establishes the Missouri Diploma and Transcript Act which creates the crime of selling a fraudulent diploma or transcript.
HB 773	Grill	Changes the laws regarding the Missouri Homestead Preservation Act.
HB 774	Grill	Establishes the Federal Retirement Exemption Act which authorizes a state individual income tax exemption for federal retirement benefits for certain taxpayers.
HB 781	Frame	Requires reassessment of property that has a significantly reduced true value in money because of a disaster.
HB 785	Frame	Exempts residential property owned by individuals 62 years of age or older from certain increases in assessed valuation.
HB 798	Scharnhorst	Authorizes a state income tax deduction for tuition, attendance fees, and school supplies purchased for educating a dependent enrolled in a Missouri elementary or secondary school.
HB 800	Cunningham	Freezes the assessed valuations on real and personal property for two years.
HB 805	Wilson-130	Establishes the Professional Relationships Between Teachers and School Districts Act.
HB 814	Emery	Establishes the Fair Tax Act of 2009 which replaces the state individual and corporate income tax and the estate tax with a fair tax based on all new retail sales and services.
HB 818	Aull	Creates the School Safety and School Violence Prevention Fund.

HB 827	El-Amin	Establishes the "Child Initiative Program" and creates a tax for certain taxpayers who participate in the program.
HB 829	Nolte	Allows joint venture financing of certain educational facilities.
HB 870	Dixon	Requires the division of school improvement within DESE to develop and coordinate a program to provide a fine arts education consultant at each regional professional development center.
HB 872	Ervin	Exempts business personal property from property taxation.
HB 873	Schaaf	Provides that homeschooled students shall be treated the same as non-homeschooled students for financial aid purposes.
HB 877	Parson	Requires school districts to make information about meningococcal vaccinations available to students and parents or guardians.
HB 888	Nieves	Establishes the Predictable Property Tax Act.
HB 900	Brown-73	Establishes limitations on the fat content of school meals and requires meals to be measured for compliance over a school day.
HB 901	Brown-73	Establishes nutritional standards for foods and beverages sold to students during the school day.
HB 902	Kingery	Increases the assessed valuation levels necessary for counties to change classifications.
HB 903	Kingery	Establishes the Missouri Promise Program.

HOUSE JOINT RESOLUTION

HJR 30	Aull	Proposes a constitutional amendment raising the allowable level of bonded indebtedness for school districts.
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SENATE BILLS

SB 383	Dempsey	Modifies contribution rates for the Public School Retirement System of Missouri.
SB 392	Shields	Phases-out the corporate income tax.
SB 395	Ridgeway	Makes certain actions made by school board members or employees in conjunction with the Public School Retirement System of Missouri a class C felony.
SB 404	Mayer	Repeals certain taxes imposed upon suppliers of bingo and pull-tab cards.
SB 422	Pearce	Modifies provisions relating to special education due process hearings.
SB 429	Smith	Requires the Department of Elementary and Secondary Education to designate teacher assessment programs and creates teacher assessment requirements for unaccredited school districts.
SB 430	Smith	Creates and modifies provisions pertaining to environmentally sustainable practices.
SB 432	Vogel	Provides information to parents of students about immunizations against bacterial meningitis.
SB 438	Callahan	Modifies provisions relating to elementary and secondary education funding.

SB 439	Lembke	Prohibits school boards from placing restrictive covenants in deeds of real property that prohibit its use as a school and nullifies any existing restrictive covenants.
SB 441	Schaefer	Modifies provisions relating to teacher termination proceedings.
SB 443	Days	Allows the State Board of Education to make modifications to a Special Administrative Board that is governing a lapsed school district.
SB 444	Wilson	Creates general standards for the use of mediation to resolve disputes.
SB 445	Rupp	Prohibits school district employees, volunteers, and independent contractors from placing a student receiving special education services into seclusion.
SB 446	Rupp	Modifies the elementary and secondary education funding formula.
SB 448	Pearce	Authorizes school districts to enter into design-build contracts for projects costing more than \$1,000,000.
SB 453	Mayer	Modifies provisions relating to education funding.
SB 455	Mayer	Increases the assessed valuation a county must maintain in order to move into a higher classification.
SB 470	Ridgeway	Modifies the individual income tax rates.
SB 473	Bray	Institutes procedures for public employee collective bargaining.
SB 491	Mayer	Modifies procedures for the lapse of a school district that has been classified as unaccredited for two successive years.
SB 496	Cunningham	Allows the Department of Elementary and Secondary Education, at the discretion of the State Board of Education, to have authority over extracurricular competitive activities.
SB 497	Cunningham	Allows a school district receiving students from a district that does not maintain an accredited school to request that the Department of Elementary and Secondary Education withhold delinquent tuition payments.
SB 498	Cunningham	Requires school districts to include in their school accountability report cards whether they have a gifted education program and have had one over the past three years.
SB 500	Cunningham	Requires school districts to allow parents to withhold permission for students to participate in school-sponsored clubs and extracurricular activities.
SB 501	Cunningham	Limits increases in assessed value of residential real property until transfer of ownership.
SB 502	Cunningham	Establishes procedures for the evaluation of student credits when a student transfers to a public school from another educational setting.
SB 503	Cunningham	Allows two or more adjacent school districts to share a superintendent under certain circumstances.
SB 505	Cunningham	Prohibits a superintendent of an unaccredited or provisionally accredited school district from transferring a teacher if the principal of the receiving school refuses.

SB 515	Cunningham	Revises the conditions under which school districts may suspend or terminate teacher and administrator contracts in certain school districts.
SB 516	Cunningham	Modifies provisions relating to education personnel.
SB 520	Wright-Jones	Creates physical education requirements for students in primary grades.
SB 521	Wright-Jones	Creates physical education requirements for sixth through twelfth graders.
SB 537	Cunningham	Creates procedures for open enrollment across school district boundary lines for certain students.
SB 559	Schaefer	Authorizes the adoption of emergency rules that may be effective for two years in order to carry out the American Recovery and Reinvestment Act of 2009.
SB 564	Smith	Allows the State Board of Education to revoke the charter of charter schools that have decreasing student assessment scores.
SB 568	Rupp	Establishes the Recovery Accountability and Transparency Board and creates a state false claims act.
SB 575	Smith	Modifies provisions of law requiring the provision of personal property lists.
SB 576	Dempsey	Requires that records submitted to the State Literacy Hotline for student drop-outs be made publicly available.

SENATE JOINT RESOLUTIONS

SJR 14	Wilson	Relating to creation of tax free zones.
SJR 15	Cunningham	Proposes a constitutional amendment providing that the general assembly is not required to enact legislation to comply with a court order declaring that it raise taxes.
SJR 16	Lager	Prohibits the imposition of any state or local income tax after January 1, 2024.