

HOUSE HEARINGS

The House Appropriations Education Committee continues to hear testimony and discuss budget items. Several priorities were brought forth. Representative Bringer expressed her interest in additional funding for the MOREnet program citing the new technology items in the budget do little to support or provide needed upgrades to the existing infrastructure. Implementation of the Virtual School program for middle school students was also discussed. A \$1 million appropriation was included in Governor Blunt's budget recommendation for this expansion.

The House Special Committee on Student Achievement heard HB 1554 (Hughes) February 6. The bill would authorize an income tax credit for contributions to nonprofit special needs education support organizations that provide financial assistance to families with special needs children that do not attend public schools. The Missouri Catholic Conference testified in support. The Missouri Coalition of School Administrators and the Missouri School Board Association testified in opposition expressing concerns regarding voucher/tax credit legislation.

The House Elementary and Secondary Education Committee was scheduled to hear HB 1722 (Wallace) on February 6, but instead went into Executive Session for nearly two hours to discuss and ultimately vote out a Committee Substitute for HB 1314 (Cunningham). The substitute contains several technical amendments and provisions affecting school employees. A few of the provisions include granting civil immunity on job references; reporting allegations of employee sexual misconduct and implementation of a mediation process; and the requirement that all personnel in contact with students register with the Family Care Safety Registry, in addition to the state and federal criminal background check. Educational groups remain concerned that districts will be required to maintain data even on unsubstantiated reports of employee sexual misconduct and will furthermore, be required to report this data to other districts upon request if the employee waives the right to keep this data confidential.

Two bills dealing with taxation were heard in the House Ways and Means Committee on February 7. A substitute for HJR 42 (Cynthia Davis) was presented, which proposes a constitutional amendment freezing all real property valuations and tax rates until the sale or transfer of the property or a voter-approved rate increase. Representative Davis' comments against the use of Circuit Breaker and Homestead were not well received by committee and audience members. There were no witnesses to testify in support. HB 1370 (Kraus) attempts to aid elderly consumers by exempting real property owned by individuals 65 years of age or older with lower levels of income from increases in assessed valuation. Many questions were raised in the hearing concerning the fiscal impact. There were also no witnesses to testify in support of this bill.

Representative Muschany presented a Committee Substitute for HB 1340 in the House Special Committee on Tax Reform on February 12. This bill would allow for the phasing in of full deductibility from state income tax of all federal income tax liability. Several committee members expressed their concern about the financial impact, which indicates over \$816 million in lost tax revenue in FY 2010. The Missouri Chamber of Commerce and Associated Industries of Missouri testified in support indicating the bill would enhance economic

development. The Chief Economist for the Missouri Budget Project and MNEA provided lengthy testimony in opposition. The Committee then went into Executive Session and passed HB 1551 (Stevenson), which authorizes a gradual reduction in the annual corporate tax rate, by a vote of 7-3.

Two alternative certification bills were presented on February 13. HB 1911 (Muschany) requires the State Board of Education to create an alternative teacher certification through the American Board of Certification of Teacher Excellence (ABCTE). An applicant must hold at least a Bachelor's Degree and have sixty contact hours as described in the bill for an initial four-year ABCTE certificate of license to teach. Upon the completion of thirty hours of professional development as described in the bill, validated completion of two years of a mentoring program, attainment of a successful performance-based teacher evaluation and participation in a beginning teacher assistance program, the applicant will be eligible to apply for a career continuous professional certificate. Language exempting special education certification is included in the bill. Representative Baker expressed his support as rural districts are facing teacher shortages and difficulty in attracting teachers. An ABCTE representative indicated there are seven states currently using an alternative certification process and that 50 percent of Florida's teachers obtained certification through such a process. The Missouri Chamber of Commerce also testified in support. MNEA and CMSU testified in opposition. MSTA testified for informational purposes only. The bill was passed by a vote of 6-1. SB 1066 (Ridgeway) was presented in the Senate Education Committee. The provisions are similar to those contained in HB 1911. However, elementary certification is also exempt.

SENATE HEARINGS

Two bills were heard over the past couple of weeks dealing with out-of-state residents working in Missouri. Both SB 748 (Ridgeway) and HB 1661 (LeVota) would allow out-of-state residents to deduct their property taxes from taxable income earned in Missouri as long as the other state treats Missouri residents the same. Senator Ridgeway's bill was presented in the Senate Ways and Means Committee on February 4. Representative LeVota's bill was unanimously passed out of the House and introduced in the Senate on February 12. LeVota warned House members that Kansas was preparing to retaliate against Missouri residents working in Kansas if the tax issue was not corrected. The tax increase on out-of-state residents was slipped into a bill last year in retaliation against Illinois, which no longer allows Missouri residents working in Illinois to deduct their property taxes.

SB 1047 (Vogel), which modifies the definition of special education pupil count in the foundation formula to include certain nonpublic students, was presented in the Senate Education Hearing on February 6. This bill will ensure that the formula aid for a district reflects the additional special education services provided to nonpublic school students under the federal IDEA. Several education groups testified in favor.

The Department of Elementary and Secondary Education reviewed budget items in the Senate Appropriations Committee on February 11. Transportation, Virtual Schools and MAP testing were some of the items discussed. Eligible transportation expenses will be reimbursed at approximately 50 percent. DESE officials indicated an additional \$73.8 million on top of the current allocation of \$167 million would be needed to reach 75 percent reimbursement. Approximately 1800 students are currently enrolled in the Virtual School Program, which will be available to middle school students during the 08-09 school year. The cost of the program expansion is included in the Governor's \$1 million recommendation. High Schools throughout Missouri will begin end of course testing for Algebra I, Biology and Communication Arts. This will replace MAP testing in these areas for high school students. Any students currently enrolled in these courses will be included in the field testing this spring.

SB 722 (Coleman), which exempts motor fuel used for school buses from the motor fuel tax, was presented in the Senate Ways and Means Committee on February 11. The bill was well received by education groups as a way to provide much needed financial relief. MoDOT testified in opposition.

TAX CREDITS/VOUCHERS

Three bills dealing with tax credits and vouchers were presented on February 13. The Senate Pensions, Veterans and General Laws Committee heard SB 993 (Crowell) and SB 770 (Rupp). HB 1886 (Scharnhorst) was presented in the House Special Committee on Student Achievement. HB 1886 and SB 993 are virtually identical. Both bills would allow non-profit scholarship-granting organizations to accept contributions. These organizations would in turn distribute scholarships to special needs students to attend a school of their choice. Donators would be able to receive tax credits equal to 80 percent of the value of the contribution and would be limited to half of their total state tax liability up to \$800,000.

Parents and representatives of school choice groups and programs that would benefit from such legislation such as Giant Steps in St. Louis testified in support of the legislation. Show-Me Institute addressed the constitutionality issue indicating the programs proposed by Scharnhorst and Crowell do not involve any use of the state's money as the scholarships involved would be funded by private donations. Supporters also indicated any decrease in state or federal funding as a result of moving a special needs scholarship student would be offset by the decreased burden of educating the student.

Parents, teachers and education groups argued the proposals would drain money from their districts, leaving fewer resources to teach the students who remain. They also questioned whether these private schools could provide the same quality or accountability as public schools as there is no research or supporting evidence on how this plan is going to provide a quality education for children. St. Louis Teachers Union President Mary Armstrong indicated that by fully funding the school Foundation Formula, school districts would have the necessary resources to better serve all students. In addition, she asked committee members to consider the impact on federal funding to public schools. John Urkevich, Executive Director of CSD of Greater St. Louis also testified in opposition to HB 1886 providing alternatives such as creating an autism early intervention fund. It was evident that Chairman Muschany was not interested in hearing any suggestions contrary to what was being presented in the bill. MSTA, MNEA and School Administrator's Coalition also testified in opposition to HB 1886. Education groups were not provided an opportunity to testify in opposition in the Senate hearing due to time constraints. It is likely that SB 993 will move forward on the Senate side.

The House Committee passed HB 1886 by a vote of 5-1.



Below is a listing of additional bills of interest to CSD that has been introduced. For copies of any of the bills, please visit the General Assembly Web Site at www.moga.state.mo.us and click on Joint Bill Tracking. Just enter in the bill number and you will be able to bring up the actual text of the bill.

HOUSE BILLS

- HB 1938 Requires the state board of education to promulgate regulations requiring parental participation in three meetings each year with a child's teacher regarding the child's performance. (Baker, 123)
- HB 1947 Establishes lower permissible and desirable class sizes for the Kansas City school district. (Holsman)

- HB 1957 Establishes the Duty Free Zone Act. (Hughes)
- HB 1960 Requires school districts to purchase and use environmentally-sensitive cleaning products that meet guidelines established by the department of elementary and secondary education. (Kraus)
- HB 1972 Changes laws relating to the Public School and Public Education Employee Retirement Systems. (Franz)
- HB 1973 Allows the Public School or Public Education Employee Retirement Systems to protect and indemnify any trustee or employee of such systems under certain conditions. (Franz)
- HB 1988 Establishes lower permissible and desirable class sizes than currently exist in administrative rules for St. Louis School District and districts in St. Louis County. (Oxford)
- HB 2030 Changes the laws regarding public employee labor organizations. (Lowe)
- HB 2040 Enacts provisions relating to educational personnel compensation. (Jetton)
- HB 2050 Creates an alternative way of calculating the state adequacy target for school funding. (Aull)
- HB 2056 Changes laws relating to the investment of funds for the Public School and Public Education Employees Retirement Systems. (Viebrock)
- HB 2059 Establishes procedures for professional relationships between teachers and school districts. (Wilson, 130)
- HB 2070 Prohibits certain sexual offenders from entering school property or attending school activities without the consent of the principal or administrator. (Casey)
- HB 2071 Exempts residential property owned by taxpayers 62 years of age or older from certain increases in assessed valuation. (Casey)
- HB 2075 Creates the Missouri Commission on Autism Spectrum Disorders. (Grisamore)
- HB 2079 Modifies provisions regarding property taxation. (Stream)
- HB 2111 Amends the law relating to charter schools. (Muschany)
- HB 2112 Establishes the Fair Tax Act of 2008 with requires the Department of Revenue to develop methods for replacing the state income tax with a state sales tax. (Emery)
- HB 2121 Prohibits school districts from scheduling a day off, or a half-day off, within five days of Veteran's Day, unless the school district also gives students a day off for Veteran's Day. (Roorda)
- HB 2122 Creates the "Shawn Hornbeck Educational Reimbursement Program & QUO. (Roorda)
- HB 2124 Establishes the "School Safety and School Violence Prevention Fun. (Aull)
- HB 2127 Places a cap on the number of charter schools that may be authorized to operate in the Kansas City School District. (Nasheed)
- HB 2131 Changes the laws regarding the Missouri individual income tax. (Oxford)

HOUSE JOINT RESOLUTIONS

- HJR 65 Proposes a constitutional amendment capping at current amount an individual's real property tax. (Icet)
- HJR 67 Proposes a constitutional amendment distributing ten percent of general revenue growth to the State Road Fund and the State Transportation Fund. (Davis)

SENATE BILLS

- SB 1066 Creates an alternative mechanism for teacher certification. (Ridgeway)
- SB 1072 Allows expanded charter school operations for charters specifying certain special education students and modifies sponsors. (Rupp)
- SB 1078 Modifies provisions relating to charter schools. (Rupp)
- SB 1084 Eliminates penalization for state transportation aid for school districts operating magnet schools as part of a master desegregation settlement agreement. (Coleman)
- SB 1085 Allows school districts to participate in the A+ Schools Program irrespective of their accreditation status. (Coleman)
- SB 1086 Creates a tax credit for contributions to certain after school programs. (Smith)
- SB 1092 Creates the Minimum Salary Fund for Teachers to provide minimum salary supplements to public school teachers. (Engler)
- SB 1115 Creates a collective bargaining process for public employees. (Bray)
- SB 1128 Creates the Persistence to Graduation Fund to distribute grants to certain school districts for drop-out prevention efforts. (Bray)
- SB 1129 Repeals the statute authorizing the creation of a transitional school district for St. Louis City. (Coleman)