



Bulletin No. 4

March 13, 2009

As the legislative session passes its halfway point nearly 1,792 bills have been filed. House members have until April 1 to file legislation.

Before adjourning for spring break, the House Budget Committee passed a \$22.8 billion state budget for fiscal year 2010 after nearly 14 hours of amendments.

Upon return from their break, the House will begin consideration of the 13 bills that make up the budget.

BUDGET

The House Budget Committee began the mark-up session on HB 2 (Icet) March 4. In addition to plugging in more than \$930 million in federal stimulus and stabilization funds into the bill and backing out over \$500 million in General Revenue, the Committee also eliminated the entire professional development budget. If you recall the funding was cut from \$20 million down to \$15 million for the current budget year. The Governor then proposed an additional cut of \$5 million for fiscal year 2010. The Committee however, proposed a total cut in funding. Several amendments to restore a portion of the funding were considered during the 14 hour Budget Committee hearing March 11. However, they were all defeated. Considerable effort is underway to inform Senate Appropriation Committee members as well as other key House members on the impact this will have on our teachers and students.

TABOR

The House gave final approval to HCS for HJR 23 (Icet) March 12 by a vote of 82-78. One amendment was adopted to add a sunset clause. Upon voter approval, the bill 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 movement up to this point was anticipated given the chamber of origination, the bill sponsor and the movement which occurred last year. As the bill makes its way to the opposite chamber, there will be considerably more opposition to the measure. A vote summary is available from March 12 if you would like see how your State Representative voted on the bill.

OPEN ENROLLMENT - HB 217 (Hoskins)

Public testimony was accepted on SB 217 in the Urban Issues hearing March 2. CSD St. Louis testified in opposition to the measure. There was considerable discussion among committee members expressing concern about granting DESE the authority outlined in the bill and the diminishing effect it would have on local control. Representative Yates offered an amendment to exclude KC from the bill with a request for a roll call. A rather heated argument between Representative Yates and Chairman Hoskins followed and the amendment was defeated as his roll call request was denied. In conclusion, Hoskins requested that members vote the bill out of committee with the understanding that he would incorporate some of the requested changes. However, some of the members indicated they did not have confidence that their changes would be honored and again expressed concern that the criteria developed by DESE could be unacceptable. Hoskins then suggested they lay the bill over until Thursday.

The Committee met again March 9 to bring the bill to a vote during Executive Session. An amendment was adopted to exclude Jackson and Platte County (Representative Yates), which was then rolled into a committee substitute. The substitute also provides each individual school district with the task of defining admission and rejection criteria instead of DESE. When it came time to vote on the bill, Hoskins realized he didn't have some of the votes he had anticipated at which point the hearing was adjourned.

A bill was once again brought forth during Executive Session on March 11 and passed by a vote of 5-4. It is unclear how much floor time leadership will afford Representative Hoskins; however, we do not anticipate movement out of the House.

TAX RATE CEILING PETITION BILL

The House Ways and Means Committee voted out a committee substitute for HB 591 (Sutherland) on March 12. If you recall, the bill authorizes voters to petition for an election to lower the tax rate ceiling of a political subdivision. In its main provisions, the substitute increases the petition level from 10% to 33%, requires a 2/3 voter approval, adds language describing the petition process and rolls in language from SB 174 (Griesheimer) aimed at correcting problematic dates contained in last year's SB 711. While the language in the underlying bill would be detrimental to school districts, provisions from SB 174 are helpful to many.

We will keep you closely advised on any updates regarding the key legislative issues listed above.

HOUSE COMMITTEE ACTION

The Rules Committee voted out several bills on March 3. HCS for HB 236 (Lipke) establishes Kaitlyn's Law which requires school districts to allow certain students with disabilities to participate in graduation ceremonies after four years of high school attendance. HB 490 (Schad), a consent bill, changes the laws regarding the restructuring of

an unaccredited school district. The bill then received final passage in the House on March 12 by a vote of 145-12.

The House Rural Community Development Committee heard HB 356 (Wallace) on March 3. The bill increases the overall appropriation amount for small school grants from \$15 million to \$20 million with \$15 million being distributed to eligible districts in proportion to their average daily attendance.

The Joint Committee on Education met on March 3. Representative Wallace was elected as Vice-Chair. The Committee also heard an overview of a proposed study of K-12 education data that will be conducted over the next few months and received an update on the status of state professional development grants, which the committee is now required, by law, to review and approve prior to implementation.

The Rules Committee met again on March 10 and voted out HB 265 (Franz), a consent bill, which changes the laws regarding the Public School Retirement System and Public Employee Retirement System.

The Special Committee on Children and Families voted out a substitute for SJR 16 (Davis). The bill proposes a constitutional amendment guaranteeing a parent or legal guardian the right to care, educate, and raise his or her children without governmental hindrance unless there is a compelling interest.

HOUSE ELEMENTARY AND SECONDARY EDUCATION COMMITTEE

The following bills were presented March 4:

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. A committee substitute was then voted out on March 11 with consent status. As defined in the substitute, "significant difference in the time involved in transporting students" shall mean a difference of one hour or more per trip in travel time. "Travel time" is the period of time required to transport a pupil from the pupil's place of residence or other designated pickup point to the site of the pupil's educational placement.

HB 387 (Wayne Cooper) requires the development of a quality rating system for early childhood and before- and after-school programs that are licensed by the Department of Social Services.

The Committee then went into Executive Session and voted out a committee substitute for HB 509 (Stream), which requires school districts to meet certain requirements regarding physical education programs. A committee substitute was also voted out for HB 689 (Bringer) with consent status. The measure allows 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.

HCS for HB 509 was later voted out of the Rules Committee on March 12. There was discussion on excluding Special School District; however, the substitute does not appear to do so. CSD of St. Louis and Special School District's legislative consultant have expressed concern over the potential fiscal impact and plan to meet with the bill sponsor after spring break to discuss an amendment to address this.

The following bills were presented March 11:

HB 922 (Joe Smith) requires each school district to adopt a policy on allergy prevention and response with authority given to addressing potentially deadly food-borne allergies.

HB 659 (Dusenburg) changes the laws regarding special administrative boards appointed for lapsed school districts.

HB 717 (Tilley) establishes several incentive programs for attracting and retaining teachers. The bill redirects \$40 million annually in Proposition A funding to support an increase of the minimum starting teacher salary to \$27,000. The bill also contains language establishing performance pay incentives.

The Committee then went into Executive Session and voted out HB 922 and HB 659 with consent status. A committee substitute for HB 304 (Schad) was also voted out. The details are listed earlier in this report.

HOUSE FLOOR ACTION

The House gave final approval on HB 682 (Swinger) on March 10 with an emergency clause. The bill allows an exception for the 2008-2009 school year regarding the laws for school make-up days due to inclement weather.

SENATE EDUCATION COMMITTEE

The following bills were heard March 4:

SB 41 (Cunningham) creates the "Amy Hestir Student Protection Act." The bill was also heard last year in the House. Although there is merit to the legislation, the bill poses several concerns including the requirement for districts to maintain data on unsubstantiated reports of alleged employee sexual misconduct. The bill also creates a system that allows employees to sign a waiver to keep this type of information confidential. If an employee does not sign the waiver, failure to do so would be passed along to other hiring districts. This has the potential of sending an unintended "red flag" to potential employers.

SB 51 (Bray) requires the State Board of Education to use Missouri School Improvement Program standards to evaluate charter schools and take appropriate remedial actions consistent with those applied to school districts. CSD of St. Louis and other education groups testified in support of the measure aimed at holding charter schools to the same accountability measures with ramification for those underperforming.

SB 42 (Cunningham) removes Proposition A revenues from the formula and uses it to fund a newly created program that would allow a teacher to opt out of his or her permanent contract and participate in the Teacher Choice Compensation Package. The program allows performance-based salary stipends in increments of five thousand dollars, up to fifteen thousand dollars and would be open to every person employed by a school district regardless of certification status, provided the other requirements are satisfied.

The Committee then went Executive Session and voted out SB 291 (Shields), which allows school districts to develop a virtual program for any grade level and receive state funding for virtual courses provided to resident students. A SCS was also voted out for SB 117 (Green), which recalculates the state school aid for the Riverview Gardens School District.

The following bills were heard March 11:

SB 453 (Mayer) and SB 24 (Callahan) presented their bills together. Both bills modify provisions relating to education funding by removing Proposition A funding from the calculation of the state adequacy target, removing the 5% limit on increases in state funding per recalculation, defining "Gifted Education Pupil Count" and modifying the definition of "weighted average daily attendance" by including in the calculation the product of .25 multiplied by the number of the district's gifted education pupil count. MSTA, MNEA and MSBA testified in support of the bill. SB 24 differs from SB 453 as it increases from .75 to .85 the multiplier when calculating special education portion of "weighted average daily attendance."

CSD of St. Louis was prepared to testify in opposition to SB 373 (Mayer), which deals with open enrollment. However, the committee ran out of time, so the bill was not heard.

The committee then went into Executive Session and voted out a committee substitute for SB 175, which requires DESE to produce "The Parents' Bill of Rights," to inform parents of children with an individualized education program of their educational rights under federal and state law.

The Senate Ways and Means Committee heard several taxation related bills on March 4. SB 99 and SJR 4 (both sponsored by Cunningham) aim to limit increases in assessed value of real property. SB 99 establishes the Predictable Property Tax Act, which freezes the assessed valuation of real property at the 2006 assessed value or at the acquisition price of property purchased after the effective date of the act and sets the tax rate at one percent. Upon voter approval, SJR 4 would limit increases in assessed value due to reassessment of real property to the lesser of the percentage increase in the consumer price index for the Midwest Region or two percent until a transfer of ownership occurs. Upon a transfer of ownership, such property would be reassessed at its value for the year in which the transfer occurs.

The Committee also heard testimony on two bills that would phase out the Missouri corporate income tax. SB 392 (Shields) gradually reduces the rate of tax on corporate income by twenty percent per year such that by tax year 2015, no tax will be imposed upon

corporate income. SB 367 (Ridgeway) phases out the corporate income tax over a period of four years so that for the tax year 2014, no corporate income tax will be imposed.

CSD of St. Louis testified in opposition to both measures.

SB 383 (Dempsey) was heard in the Veterans Affairs, Pension and Urban Affairs Committee on March 12. The bill modifies the contribution rates paid by employees and employers for the Public School Retirement System. Current law provides that employees and employers contribute to PSRS in equal amounts and at the same contribution rate. This act limits the contribution rate for employees to the rate in effect as of August 28, 2009. In addition, the Board of Trustees may increase the actuarial contribution rate for employers by up to one percent from the prior fiscal year. The contribution rate for employers will not increase once it satisfies the actuarially required contribution rate. CSD St. Louis, CSD Kansas City, NEA, MSTA, MSBA, School Administrator's Coalition and other school officials testified in opposition indicating the bill would severely handicap school district budgets across the state and would negatively impact a district's ability to provide competitive salaries.

SENATE FLOOR ACTION

SCS for SB 96 (Justus) received final passage in the Senate on March 4 by a vote of 32-0. The bill establishes the "Foster Care Education Bill of Rights." Each school district must designate a staff person to be an educational liaison for foster care children. This liaison would assist with proper educational placements, transferring between schools, ensuring transfer of grades and credits, requesting school records, and submitting school records that have been requested.

SB 127 (Rupp) also received final passage on March 12. The bill requires the Governor to annually issue a proclamation declaring the first week of March as Math, Engineering, Technology and Science Week.

The Senate gave final approval to SB 313 (Nodler/Icet) on March 10 with an emergency clause. The bill creates two separate funds within the state treasury to receive and retain funds provided under the American Recovery and Reinvestment Act of 2009.

ADDITIONAL BILL SUMMARIES

HOUSE BILLS

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| HB 922 | Smith-14 | Requires each school district to adopt a policy on allergy prevention and response with priority given to addressing potentially deadly food-borne allergies. |
| HB 937 | Dieckhaus | Waives the limitations on the transfer of moneys from a school district's incidental fund to its capital projects fund for the 2009-2010 and 2010-2011 school years under certain circumstances. |
| HB 944 | Wallace | Excuses school districts from certain statutory requirements when the school funding formula is not fully funded. |

HB 955	McNeil	Increases the minimum base used to calculate the senior citizens circuit breaker amount.
HB 958	Smith-14	Allows sellers to assume or absorb sales tax into the price of the property sold or service rendered.
HB 960	Schoeller	Allows public school students to choose to attend a public school district other than the school district of his or her residence under specified conditions.
HB 963	Ruestman	Changes provisions relating to assessed valuation of residential real property.
HB 965	Parson	Provides for a percentage reduction in property taxes for property owners seventy years of age or older.
HB 992	Dusenberg	Exempts real property owned by individuals 65 years of age and older from increases in assessed valuation.
HB 993	Dusenberg	Updates the provisions of section 167.151, RSMo, relating to non-resident pupil tuition for Lee's Summit.
HB 999	Low	Changes the laws regarding sexual education, abortions, and pregnancy prevention.
HB 1002	Aull	Revises laws relating to the Joint Committee on Education.
HB 1003	Low	Establishes "Green School" grants for new construction or renovation of public school buildings.
HB 1008	Pace	Increases physical activity requirements in schools.
HB 1015	Smith-150	Eliminates local earnings and profits taxes beginning in 2016.
HB 1030	Stream	Establishes an alternative hearing method for dismissing tenured teachers.
HB 1033	Gatschenberger	Amends laws relating to mandatory school attendance and penalties for parents or guardians of students who are not in compliance with the law.
HB 1036	Jones-89	Gives priority consideration to private, parochial, parish, or charter schools wanting to purchase or lease any real or personal property owned by a school district for use by the school.
HB 1037	Grisamore	Modifies laws relating to accessible electronic text use in elementary and secondary schools.
HB 1040	Tilley	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.
HB 1041	Stevenson	Requires the commissioner of education to make public by free electronic media certain results of studies and evaluations.
HJRS		
HJR 33	Schoemehl	Proposes a constitutional amendment allowing simple majority approval for school district bond issues.

HJR 36 Emery

Proposes a constitutional amendment replacing individual and corporate income tax, sales and use tax, and estate tax with a sales tax on retail sales of new tangible property and taxable services.