

HOUSE HEARINGS

HB 1440 (Roorda) was presented in the Special Committee on Government Affairs on February 19. The bill requires each elected or appointed public official who is a member of a public body to complete a one- to two-hour course covering the responsibilities of public officials and the Open Meetings Law as well as a separate one to two hour course regarding the responsibilities of the public governmental body to public information laws and open records.

HCS for HB 1340 (Muschany), which allows for the phasing in of full deductibility from state income tax of all federal income tax liability, was voted "Do Pass" during Executive Session on February 19 in the Special Committee on Tax Reform.

A Substitute for HJR 41 (Cunningham) was voted "Do Pass" on February 19 in the Special Committee on General Laws. The act proposes a constitutional amendment prohibiting state courts from levying or imposing new taxes, licenses, or fess without legislative or voter approval.

The House Higher Education Committee heard HB 1802 (Wilson) on February 19. This bill applies to schools that are members of an activity association that regulates extracurricular activities and specifies that the appeal of a ruling on student eligibility for extracurricular activities may bypass the administrative hearing process as long as due process has been observed. Representative Wilson expressed his concern that MSHSAA's appeals process is inadequate and lacking oversight during MSHSAA Reform hearings that took place during the Interim.

Representative Baker presented HB 1706 and HB 1938 in the Special Committee on Student Achievement on February 20. Currently, retired teachers of the Public School Retirement System of Missouri can teach full time for up to two years for a school district having a critical shortage of teachers and continue to receive retirement benefits. This bill specifies that teachers can work part time as well in these districts without losing their retirement benefits. HCS for HB 1706 was later voted "Do Pass" from committee.

HB 1938 requires parental participation in three teacher conferences each school year. If the parent does not meet the requirement, the student's performance and attendance will not be counted in calculating a district's accreditation. A provision outlining an employer's obligation to provide a parent time off for these meeting is also included. Further discussion to address the school's responsibility to meet with working parents at reasonable times is expected. MSTA and MNEA testified in support.

HB 1695 (Zweifel) and HB 2079 (Stream) were presented in the House Ways and Means Committee on February 21. HB 1695 changes the qualifications for and the amount of credit allowed under the Circuit Breaker. Under the provisions contained in the bill approximately 60,000 seniors will be added to the program. Beginning January 1, 2009, the bill: increases from \$27,500 to \$32,000 the maximum income allowed in order to claim the credit; increases from \$14,300 to \$18,000 the minimum income allowed in order to claim the full credit; increases from \$2,000 to \$20,000 the amount of the exemption allowed for a married couple; and increases the maximum credit amount from \$750 to \$1,500. Beginning January 1, 2010, the bill indexes the upper and lower income limits, spouse exemption, and maximum tax credit amount by the same percentage increase in the federal poverty income guidelines. The fiscal note is still under review.

HB 2079 also contains numerous property tax modifications. A few of the provisions are: requires voter-approved property tax rate increases to be applied to the most recent assessed valuation; requires political

subdivisions in reassessment years to roll-back its prior year's tax rate regardless of whether the political subdivision was levying the tax at its tax rate ceiling; allows a political subdivision to modify its tax rate, not to exceed its maximum authorized voter-approved levy, through the adoption of an ordinance, resolution, or policy statement in a non-reassessment year; and repeals the requirement that the commission notify each school district of the equivalent sales ratio for the previous year which was adopted to determine the equalized assessed valuation of the property and the equalized operating levy of the school district for distributions under the old school foundation formula.

HJR 59 (Bruns) was voted "Do Pass" on February 21 in the House Ways and Means Committee. The act proposes a constitutional amendment exempting from taxation personal property of state resident engaged in active duty in the United States military.

The House Ways and Means Committee also voted "Do Pass" on HCS for HB 1321 (Sutherland) during Executive Session on February 21. This bill contains similar provisions to HB 1695 in that it modifies the qualifications for and the amount of credit allowed under the Circuit Breaker.

HJR 67 (Davis) was heard in the House Transportation Committee on February 26. Upon voter approval, this proposed constitutional amendment allocates 10% of the amount of net growth of general revenue to the State Road Fund and the State Transportation Fund. Beginning in Fiscal Year 2010, 10% of the net increase in general revenue occurring between Fiscal Year 2008 and Fiscal Year 2009 will be transferred to the funds with 95% allocated to the State Road Fund and 5% to the State Transportation Fund. The moneys apportioned or distributed under the provisions in this bill will not be included within the definition of "total state revenues" as it is used in Section 17 of Article X of the Missouri Constitution or considered as an "expense of state government" as it relates to the Hancock Amendment. Several union groups testified in support indicating investing in the state's infrastructure will stimulate the economy and ultimately increase general revenue, which in their opinion should address the concerns brought forth by educators and health care representatives. Education groups testified in opposition to this bill. SJR 43 (Loudon) is the Senate version.

HB 2078 (Hubbard) was presented on February 26 in the Special Committee on Urban Education Reform. This bill prohibits the Department of Revenue from issuing a driver's license or a temporary instruction permit to any person 15 to 18 years of age if a public school district submits information to the department that the student is not in compliance with the eligibility standards.

HB 1374 (Portwood) was heard in the House Elementary and Secondary Education Committee on February 28. This bill requires certain school nurses to be paid on the same pay scale as teachers with equivalent work history and working hours in their district. The salary requirements will not decrease school funding or decrease nursing staff positions.

The Special Committee on Urban Education Reform heard HB 1476 (Cunningham) on February 28. This bill requires certificated teachers to document their scores on certain assessments every five years. In the fifth year after initial certification and every fifth year thereafter, teachers must submit proof to the Department of Elementary and Secondary Education that they have retaken the appropriate exit assessment required for certification and achieved a passing score, taken the applicable academic assessments of the Missouri Assessment Program and scored at the advanced level, or completed any course or examination determined by rule of the State Board of Education for the purpose of teacher testing. An appeal process for teachers who do not achieve the required scores is specified in the bill.

Representative Jane Cunningham also presented a bill in the House Committee on Workforce Development and Safety on February 27. HB 1477 establishes the "Teacher Bill of Rights Act," which prohibits teacher associations from using payroll deductions for disbursement to a committee, as specified under the Campaign Disclosure Law, unless written consent has been given within the past 12 months.

HJR 44 (Flook), which upon voter approval, raises the allowable level of bonded indebtedness for school districts from 15% to 20% of the value of taxable tangible property, was heard in the House Elementary and Secondary Education Committee on February 28.

HOUSE FLOOR ACTION

HCS for HB 1305 (Day) was third read and passed by a vote of 134-15 on February 20. This substitute allows school districts to exempt any high school student who transfers into the state from the statutory requirement for the state and federal government course and the exam on the Missouri Constitution upon acceptable documentation that the student has successfully completed the requirements in another state.

HCS for HB 1314 (Cunningham) known as the “Amy Hestir Davis Student Protection Act” was third read and passed by a vote of 139 – 6 on February 28. The handling of “unsubstantiated” claims remains a concern to most education groups and is likely to be addressed in the Senate. Before the bill was brought forth on the House Floor for debate, the House Rules Committee voted “Do Pass” by a party line vote of 5-3 on February 21. At that time, Representative Burnett requested that the provision repealing the current 20 year statute of limitation for the prosecution of unlawful sexual offenses involving a person 18 years of age or younger be removed from the bill.

SENATE HEARINGS

The Senate Pensions, Veterans and General Laws Committee heard SB 1042 (McKenna) on February 20. This bill modifies provisions relating to teacher and school employee retirement systems.

SB 715 (Loudon) was voted “Do Pass” in the Senate Education Committee on February 27. This bill establishes the safe schools fund and allows local school districts to utilize such moneys for a variety of safety-related expenses.

SJR 43 (Louden), which mirrors the provisions contained in HJR 67 (Davis) was heard in the Senate Governmental Accountability and Fiscal Oversight Committee on February 28. MoDOT discussed the anticipated funding crisis the department is facing without new funding. Senator Loudon told committee members the voters have continually expressed their opposition to tax increases, which places the burden on the General Assembly. Several community organizations from the St. Louis area testified in favor.

SENATE FLOOR ACTION

SB 762 (Wilson) was third read and passed by a vote of 33-0 on February 21. This act modifies the definition of “bullying” as used in school district anti-bullying policies to include cyber-bullying and electronic communications.

The Senate gave preliminary approval and later third read and passed SB 711 (Gibbons) on February 27. The Senate Substitute presented on the floor contained numerous technical changes and modifies provisions regarding notice of taxpayer protests and payment of protested taxes. Eight amendments were adopted during floor debate. Amendment 1, offered by Senator Gibbons, was a technical correction. Amendment 2, offered by Senator Griesheimer provides ballot language guidelines to be used when a school district is seeking to increase its debt service tax levy. Amendment 3, offered by Senator Callahan, requires the county collector in certain counties to allow for the payment of property taxes in quarterly installments. Amendment 4, offered by Senator Ridgeway, requires county tax collectors to refund any interest and penalties assessed as a result of errors by county officials. Amendment 5, offered by Senator Rupp extends certain reporting deadlines for counties with a charter form of government. Amendment 6, offered by Senator Shoemyer modifies certain Circuit Breaker income level requirements for married couples. Amendment 7, offered by Senator Gibbons provides authority to the state tax commission to develop or enter into contracts with entities

for the development of computer software programs to produce the projected tax liability notices. Amendment 8, also offered by Senator Gibbons, contained clean-up language.

After considerable debate, SB 1066 (Ridgeway) was third read and passed by a vote of 25-5 on February 27. The bill would allow individuals to receive a four-year initial teaching certificate if they pass the American Board for Certification of Teacher Excellence (ABCTE) exam, and demonstrate the ability to work with children. Four amendments were offered during floor debate on February 21, of which three were adopted. Amendment 1, offered by Senator Ridgeway, states that the ABCTE process cannot be used for early childhood certification and adds a sunset clause to terminate the ABCTE certification process in 2014 unless reapproved by the legislature. The bill already excludes special education and elementary education. Amendment 2, offered by Senator Bartle was defeated. This amendment would have provided stipends for math and science teachers at a school board's discretion. Amendment 3, offered by Senator Green provides the State Auditor the authority to audit any school district. Amendment 4, offered by Senator Coleman outlines accountability measures pertaining to the commissioner of education.

The Senate also gave final approval (Third Reading vote) to SB 994 (Crowell) on February 18 by a vote 33 - 0. The bill will raise the cap on annual increases in final average salary used for calculating Public School Retirement System benefits from 10 percent to 20 percent. This bill would undo the lower cap enacted in 2007.

HCS FOR HB 1836

HCS for HB 1836 (Flook) dealing with property tax assessments and tax credits was presented and voted "Do Pass" by the Special Committee on Job Creation and Economic Development by a vote of 11 - 0. This substitute specifies that the true value in money for assessment purposes of any possessor interest in real property on or adjacent to a certain commercial airport and owned by a political subdivision will be the true value in money of the possessor interest in the real property less the total costs paid toward any new construction or improvements on the property if included in the possessor interest, unless paid by the political subdivision, regardless of the year the costs were incurred. Representative Flook has indicated the core concept of the legislation is not up for discussion or change. He also said he would do his part to ensure the language is not retroactive as it currently applies to new construction.

Supporters say that the bill will correct a property tax policy that is fundamentally unfair. There are approximately 11,000 acres of undeveloped land near the Kansas City International (KCI) Airport, and it will remain undeveloped unless this legislation is enacted. Currently, when a company leases city-owned property near the airport, it is forced to pay property taxes based on the bonus value of the rent. Kansas City is at a disadvantage when compared to other competing airports because those airports have abated the taxes associated with the bonus value. KCI Airport has been there for 35 years and only 27 of the 11,000 acres have been developed since 1987. Businesses choose to locate their distribution centers near airports in other cities simply because it's more expensive to do business at KCI because of this tax policy. Testifying for the bill were City of Kansas City; Kansas City Aviation Department; Economic Development Corporation of Kansas City, Missouri; and Lambert-St. Louis Airport Authority.

Opponents of the bill say that the legislation will adversely affect the school districts near the airport because they rely on the property taxes paid by businesses in that area. Reducing the tax rate for these businesses will result in less revenue for the schools, which they will not be able to recoup through residential property taxes even if more people move into the area as a result of new jobs. Land near the airport is already an enterprise zone, so businesses there currently receive a tax abatement of 50%. Increasing the property tax abatement for businesses will only hurt the schools. Testifying against the bill were Park Hill School District; CSD of Greater Kansas City; School Administrators Coalition; MNEA; and MSBA.

CHARTER SCHOOL LEGISLATION

Two charter school expansion bills were presented by Senator Rupp on February 27 in the Senate Education hearing. Senator Rupp told committee members expansion of Charter services was included as a recommendation in the Blue Ribbon Panel Study. SB 1072 proposes to allow a charter school to be operated in any school district when a school's proposed charter specifies a student enrollment of at least 30% students requiring special education services as part of an individualized education program. In addition, nonresident pupils are eligible and sponsorship eligibility is expanded. Supporters testified that because charter schools have their own governing board, they have the freedom to employ and develop programs specifically catered to meet the needs of a specific group.

A few of the provisions contained in SB 1078 include: removing the geographical limitations currently in place, expanding who can sponsor a charter school, allowing charter school sponsors to spend up to 10% of their sponsorship funding for undesignated costs and requiring charter schools whose mission includes student drop-out prevention or recovery to enroll nonresident pupils from the same or an adjacent county. Several education groups including CSD of Greater St. Louis testified in opposition to both bills.

TAX CREDIT LEGISLATION

The Senate Pensions and General Laws Committee voted out a SCS for SBs 993 (Crowell) and 770 (Rupp) on February 20. The substitute is the same language contained in SB 993. The bill is currently listed on the Senate calendar for perfection.

A similar bill, HB 1886 (Scharnhorst) was returned to the Special Committee on Student Achievement on February 26 from the House Rules Committee. Rules Committee Chairman Cooper indicated the eligibility was too broad and requested that it be limited to children with autistic disorders only versus all children with an IEP. The Student Achievement Committee instead adopted an amendment limiting IEP student eligibility to 10 percent and voted the bill "Do Pass" by a vote of 5-2 on February 28. It will now be returned to the House Rules Committee for consideration.



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 2136 Authorizes an income tax credit for donations to public school foundations. (Dixon)

HB 2140 Requires taxation of all United States real property. (Guest)

HB 2152 Enacts provisions relating to academic accountability in St. Louis schools. (Nasheed)

HB 2156 Authorizes the Motherhood/Fatherhood Stay-at-home tax credit for a parent who stays at home to provide care for a child up to 24 months of age. (Grill)

HB 2164 Exempts federal retirement income from Missouri income tax. (Grill)

HB 2165 Changes the laws regarding the Missouri Homestead Preservation Act. (Grill)

- HB 2177 Changes provisions relating to the Missouri Sunshine Law. (Harris, 23)
- HB 2181 Allows school districts to provide teacher salaries that include hiring incentives or salary schedule modifications under certain conditions. (Cunningham, 86)
- HB 2190 Phases out the sales and use tax on food over a six-year period and replaces those revenues with a sales tax on sales of liquor. (Nasheed)
- HB 2191 Allows school districts to participate in the A+ schools program irrespective of their accreditation status. (Nasheed)
- HB 2199 Lowers income tax rates for Missouri residents and increases individual income tax deduction amounts. (Lipke)
- HB 2204 Changes provisions relating to the Public School Retirement System. (Ervin)
- HB 2207 Establishes the HCH Scholarship Program. (Hoskins)
- HB 2210 Modifies Sunshine Law provisions. (Jones, 89)
- HB 2216 Makes background checks and fingerprinting for teachers valid for one year, even if they move from district to district or change certification. (Bringer)
- HB 2219 Adds "gifted education pupil count" as a categorical to the foundation formula. (Lampe)
- HB 2220 "Double counts" students in gifted programs for school funding purposes. (Lampe)
- HB 2234 Authorizes an exemption from motor fuel tax on fuel used for school buses. (Page)

HOUSE JOINT RESOLUTION

- HJR 68 Proposes a constitutional amendment altering the rollback requirement for the Hancock Amendment. (Bivins)

SENATE BILLS

- SB 1134 Modifies income taxation of married couples with taxable income less than \$100,000. (Callahan)
- SB 1152 Creates the Minimum Salary Fund for Teachers to provide minimum salary supplements. (Crowell)
- SB 1153 Prevents nonprofit educational associations or organizations from having their employees join PSRS or PEERS after June 30, 2009. (Crowell)
- SB 1154 Allows teacher and school retirement systems to indemnify and protect trustees and employees. (Crowell)
- SB 1155 Modifies provisions relating to the investment of funds for teacher and school employee retirement systems. (Crowell)
- SB 1156 Modifies provisions relating to teacher and school employee retirement systems. (Crowell)
- SB 1158 Creates the Professional Relationships Between Teachers and School Districts Act. (Mayer)
- SB 1163 Modifies the school bus endorsement criminal background check procedure. (Rupp)