

HCS SB 644 -- STATE SCHOOL AID PENALTIES

SPONSOR: Shields (Baker, 123)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Student Achievement and Finance by a vote of 8 to 0.

Currently, the phase-in period of the funding formula established by Senate Bill 287 enacted in 2005 proportionately reduces the payment to any district that has a decrease of more than 15% in its summer school average daily attendance below the district's 2005-2006 summer school average daily attendance. This substitute phases the threshold for allowable decreases in summer school attendance upward to 20% for the 2006-2007 school year, 30% for the 2007-2008 school year, and 35% for school years 2008-2012. The reduction applies to the amount in excess of the threshold rather than the reduction from the base 2005-2006 summer school amount.

The funding formula uses Fiscal Year 2005 information to calculate the local effort component of a district's state aid. In subsequent years, this figure is adjusted to include any increases received from fines. The substitute adjusts the local effort to include decreases as well. Hold-harmless districts may receive an additional payment equal to the decrease, if any, from the revenue the district received from fines in Fiscal Year 2005 to the current year.

The substitute allows school districts that can demonstrate certain unsafe traffic conditions to provide transportation to students who live less than one mile from school without incurring an administrative penalty.

The substitute contains an emergency clause with an effective date of July 1, 2006.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$0 to Unknown - Expected to be less than \$100,000 in FY 2007, FY 2008, FY 2009. No impact on Other State Funds in FY 2007, FY 2008, and FY 2009.

PROPOSERS: Supporters say that when Senate Bill 287 was passed in 2005, many people felt that the summer school penalty was not fine-tuned enough. A phase-down in stages makes the penalty more accommodating to changes of circumstances while still protecting the summer school funding included in the Senate Bill 380 phase-out payments. Two amendments added on the Senate floor also addressed penalties in funding.

Testifying for the bill were Senator Shields; Missouri School

Boards' Association; Missouri Association of School Business Officials; Newton Learning; Missouri National Education Association; Missouri State Teachers Association; Cooperating School Districts of Greater St. Louis; St. Louis Public Schools; Kansas City Missouri School District; and Voluntary Interdistrict Choice Corporation.

OPPONENTS: There was no opposition voiced to the committee.

Becky DeNeve, Senior Legislative Analyst