

HB 2245 -- SCHOOL FUNDING (Bivins)

COMMITTEE OF ORIGIN: Committee on Elementary and Secondary Education

This bill changes the laws regarding school funding. In its main provisions, the bill:

(1) Extends the phase-in of the school funding formula enacted by Senate Bill 287 in 2005 from the 2012-2013 school year to the 2016-2017 school year and changes the payment percentages that are based on the new and old formulas (Sections 163.031.4(7) - 163.031.4(11), RSMo);

(2) Allows the General Assembly to appropriate more funds than required by the phase-in percentages for any particular school year and requires the Department of Elementary and Secondary Education to adjust the phase-in percentages to accommodate the total amount of available appropriations in order to distribute 100% of the total amount of appropriated funds (Section 163.031.4(12));

(3) Requires the department to reduce the payment amounts awarded to all school districts, including hold harmless districts if:

(a) The school funding formula appropriation is equal to or greater than the state aid expenditure for Fiscal Year 2010 and the previous year's expenditure but is insufficient to fully fund the applicable phase-in percentages for the formula during that school year or if the Governor withholds the current year appropriations with the effect of reducing the appropriation to below full funding; or

(b) The school funding formula appropriation is less than the actual state aid expenditure for Fiscal Year 2010, if the school funding formula appropriation is less than the previous fiscal year's expenditure, or if the Governor withholds current year appropriations with the effect of reducing the appropriation to below these levels (Sections 163.031.4(12) and 163.031.4(13));

(4) Requires the department to calculate a uniform proportional reduction percentage based on all available school funding formula state aid to be applied to the payment amount to which all districts would otherwise be entitled under the applicable phase-in percentages (Sections 163.031.4(12) and 163.031.4(13));

(5) Repeals the provisions regarding the penalty imposed on a school district experiencing a decrease in summer school average daily attendance which terminated at the end of the 2008-2009

school year (Section 163.031.4(15));

(6) Limits state reimbursement for summer school average daily attendance, beginning with school year 2010-2011, to only include attendance hours of students based exclusively on academic areas of study for credit-bearing courses or remedial courses that are necessary for a student to advance to the next grade. Each school district must verify to the department that its summer school program conforms to these requirements. A school district may offer a nonacademic or enrichment summer school program at its own expense. The summer school average daily attendance reimbursement is limited to the total number of hours calculated by multiplying 15% of a district's January membership for a maximum of six hours a day for 20 days (Section 163.036);

(7) Revises the small school grant to exclude summer school attendance from the average daily attendance count of 350 or fewer students; requires the appropriation of an additional \$5 million to be distributed to districts based on their average daily attendance for the regular school year upon the earlier of the completion of the school funding formula phase-in or the fiscal year after the first fiscal year in which the formula is fully funded; and extends a proportionally decreasing payment to districts that have 351 to 449 average daily attendance (Section 163.044);

(8) Removes the requirement but allows the General Assembly to make an annual appropriation to the Missouri Career Development and Teacher Excellence Plan, commonly known as the Career Ladder Program. Beginning in Fiscal Year 2012, the state portion of career ladder payments will only be made available to school districts if an appropriation is made. Any state appropriation must be made prospectively in relation to the year in which work under the program is performed. A school district may fund the program for its teachers for work performed in years for which no state appropriation is made available. The variable match formula of the program is removed and requires the payment to be on a matching basis with 60% local funding and 40% state funding (Sections 168.500 and 168.515);

(9) Removes the provision with specifies that no fees can be charged for Parents As Teachers services, clarifies that families with children younger than under the kindergarten entry age will be eligible to receive specified services, requires priority to be given to high-needs families according to department criteria, and allows school districts to establish cost-sharing strategies for these services (Section 178.697);

(10) Allows any school district that has levied a voter-approved separate tax rate for different subclasses of real property and

personal property or a tax rate increase before August 28, 2010, to use those rates for the single rate calculation using the specified blended rate calculation method (Section 1); and

(11) Repeals a provision that requires an additional per-pupil weight to be added to summer schools attendance after the 2009-2010 school year if summer school attendance statewide drops below a specified level (Section 163.037).

The provisions of the bill regarding the Parents as Teacher Program will expire December 31, 2015.

The bill contains an emergency clause for the provisions regarding the school funding formula, summer school reimbursement, and small school grants.

FISCAL NOTE: Estimated Income on General Revenue Fund of Expected to exceed \$100,000 in FY 2011, FY 2012, and FY 2013. No impact on Other State Funds in FY 2011, FY 2012, and FY 2013.