

HCS HB 137 -- CHARTER SCHOOL FUNDING

SPONSOR: Richey

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Budget by a vote of 15 to 13. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 8 to 2.

The following is a summary of the House Committee Substitute for HB 137.

This bill requires charter schools and each school district to include an annual independent audit to verify pupil residency.

The bill requires school districts to pay for each pupil attending a charter school in that district based on the formula established in the bill which includes all state aid and local aid received by the school district divided by the total weighted average daily attendance of the school district and all charter schools within the school district. The bill defines "local aid" to include all local and county revenue received by the school district and charter schools within the school district, with specific examples and exclusions specified in the bill.

School districts must calculate the amount of local aid owed to a charter school monthly and make timely payments to the charter school as outlined in the bill. The Department of Elementary and Secondary Education (DESE) shall conduct an annual review of payments from school districts with measures for over and underpayment as outlined in the bill.

This bill includes a calculation for an administrative fee to be retained from the January local aid payment by the school district. DESE shall calculate the administrative fee and provide it to the school district before January 15, and publicly make the calculation of the administrative fee available on DESE's website.

The bill has a delayed effective date of July 1, 2022 and replaces the current funding mechanism for charter schools which will no longer apply after June 30, 2022.

This bill is similar to HB 1664 (2020).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that this is a matter of equity for charter schools in the state. In those areas where charter schools are currently operating the local aid funding provided to charter schools does not match the local aid funding that the public school districts receive. The current bill will work toward a fair distribution and establish an independent audit to ensure districts are fairly treated.

Testifying for the bill were Representative Richey; Quality Schools Coalition; Missouri Charter Public School Association; Kirsten Lipari-Braman, Gordon Parks Elementary School; Candice Carter-Oliver, Confluence Academies Inc; Jillian Raining Bird; R. Bennett; Cathy Jo Loy; Excellence in Education in Action; and American Federation For Children.

OPPONENTS: Those who oppose the bill say that there are concerns about what constituted "local aid" and the concern that St. Louis City sales tax is currently being litigated. Opponents elaborated that while equity is a primary goal that may not mean equal as public schools must pay for transportation costs and special education needs that many charters do not have.

Testifying against the bill were Linda Quinley, Kansas City Public Schools; Angela Banks, St Louis Public Schools; Missouri Association of School Administrators; Missouri National Education Association; Angie Lile; American Federation of Teachers Missouri; Andrea Flinders, American Federation of Teachers Local 691; and Missouri School Board Association.