

HCS HB 137 -- SCHOOL FUNDING (Richey)

COMMITTEE OF ORIGIN: Standing Committee on Budget

CHARTER SCHOOL GOVERNING BOARD (Section 160.400, RSMo)

This bill will require that individuals serving on a governing board of a charter school not have a felony record or be on a sex offender registry.

CHARTER SCHOOL FUNDING (Section 160.415)

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 and an accountability and transparency provision to assess the use of taxpayer dollars in services provided by charter schools.

This bill outlines the specific areas of the state in which charter schools may operate and limits the calculation of state and local aid to charters that operate in those areas.

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 provides for a revised formula that shall be used beginning February 1, 2024 to calculate the total special educational services cost for a school district and for each charter within the school district. Before February 14th of each year DESE will calculate and transmit calculations for net cost for

providing special educational services and districts will use the calculations to determine the amount of local aid to distribute to each charter school within the district.

The bill has a delayed application date of July 1, 2022 for most school districts and July 1, 2024 for metropolitan school districts which applies to school districts and charters within St. Louis City and replaces the current funding mechanism for charter schools which will no longer apply after June 30, 2022 for most districts and June 30, 2024 for St. Louis City.

This language is similar to language found in HB 1664 (2020).

#### LOCAL EFFORT CALCULATION (Section 163.024)

This bill prevents money received into the Iron County School Fund from the payment of any penalty under the specified administrative order issued by the Department of Natural Resources to be included in the Iron County School calculation for local effort.

#### RESIDENTIAL SCHOOL ENROLLMENT (Section 167.151)

This bill allows beginning in the 2022-23 school year any person that owns residential or agricultural real property in any school district, and pays a school tax in that district for the two most recent tax years, to send children to that district, upon notification to the district at least 30 days prior to enrollment, and the district shall count that child for the districts average daily attendance.

The bill contains an emergency clause for one section.