

HCS HB 1552 -- SCHOOL FUNDING

SPONSOR: Richey

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Budget by a vote of 19 to 8. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 6 to 3.

The following is a summary of the House Committee Substitute for HB 1552.

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 includes a calculation for an administrative fee to be retained from the January local aid payment by the school district. The calculation of the fee for a school district and a metropolitan school district are specified in the bill. 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, 2025 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 effective date of July 1, 2023 for all school districts except for a metropolitan school district which has a delayed effective date of July 1, 2025.

This bill is similar to SCS HCS HB 137 (2021).

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

PROPOSERS: Supporters say that this is a charter school funding equity bill. The purpose of this bill is to correct an existing flaw with the funding formula. This bill would ensure that like students in public and charter schools are treated the same and have access to the same services.

Testifying for the bill were Representative Richey; Arnie C. AC Dienoff-State Public Advocate; Susan Pendergrass, Show-Me Institute; Quality Schools Coalition; Missouri Century Foundation; Kansas City Public School District; Excellence In Education Action; American Federation For Children; and Douglas Thaman, Missouri Charter Public School Association.

OPPOSERS: Those who oppose the bill say that this bill diverts local funds from the district to charter schools in an unfair and inequitable manner. This bill does not adequately address discrepancies between services that the St. Louis school district provides for students and those that are provided by charter schools and would unfairly allocate local tax revenue without the consent of the local tax base.

Testifying against the bill were Allison Chan; Amanda E Doyle; Amanda Wallace; Amy D Crowley; Amy Murphy; Andrea Durway; Angela Missouri; Bart Saracino; Ben C Conover; Bryan Campbell; C. Prombo; Caris Rowsell; Christine Efthim; Christine Holtz; Colleen Smyth; Darren P O'Brien; Denise Lebeque; Dorothy Rohde-Collins; Ellen Wilson; Ethan E Evans; Georgian Grant; Hannah Reinhart; Jenny Elliott; Jessica Ann Schoemehl; Jonathan Rowsell; Katy Beckemeyer; Kelly Hicks-Holloway; Kimberly Hicks Franks; Kristin Bryant-Gilreath; Latonia D. Pearson; Lauren E Rea Preston; Lindsay Jovanovich; Lisa A Gooden; Margaret Farrell Khazaeli; Margaret Phillips; Maria Sapp; Molly Koebbe; Nancy Tracy; Nicholas Clement, MA Gifted Education; Niesha Clark; Missouri NEA; Paul Husch; Paula S Cochran; Rebecca A Reinhart; Rebecca Durst; Richard Von Glahn, Missouri Jobs With Justice; Sarah H Stout; Sarah Hobson; Sarah Sullivan; Missouri Association of School Administrators; Shelley Watkins-Parker; Sheryl Foster; Susan Touchon; Taylor March; Teresa

Danieley; Teresa Danieley, Horace Mann Elementary PTO Executive Board (A Neighborhood Elementary School In SLPS); Tiffany Boyd; Antionette Cousins, Board of Education City of St. Louis; Avis Funches; Bill Stephens; Emily Hubbard; Matthew R. Davis, Board of Education of the City of St. Louis; Tracy Fantini Spies; Alice Crockett; Denis Thien; Monique Mullen; Susan Swope; Aaron Michels; Cydney Moore; Angela Banks, St Louis Public School District; Byron Clemens, American Federation of Teachers St Louis; Carron Johnson, American Federation of Teachers; and the American Federation of Teachers - Missouri.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.