

MSTA ACTION

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Missouri knocked out of Race to the Top's first round

The U.S. Department of Education has rejected Missouri's application for the first-round of Race to the Top funding.

The department on March 4 named 15 states and the District of Columbia as finalists. The department rejected the applications of Missouri and 24 other states that applied for a share of \$4.35 billion in funding.

Race to the Top is funded by federal state fiscal stabilization funds earmarked for education through the American Recovery and Reinvestment Act. The program seeks to reward states for proposals to reform education through standards and assessments; data-collection; recruitment and retention of educators; and turning around low-achieving schools.

MSTA opposes Race to the Top. Several of Missouri's proposals conflict directly with MSTAs resolutions. Many educators are concerned the reforms would place more work on teachers without improving learning. The proposals were also crafted with little input from practicing Missouri educators.

Missouri's Department of Elementary and Secondary Education has received feedback from the federal department that will help it retool its application for the second round of funding. Dr. Chris Nicastro, commissioner of education, said in a press release.

Federal reviewers judged applicants based on their histories of successful education reforms and outlines of plans to implement the Race to the Top reforms.

Finalists' representatives will visit Washington, D.C., in mid-March to give presentations on their proposals to review panels. Winners will be announced in April. Applications for the second round of funding are due June 1. The education department expects to announce winners in September.

The federal department has not stated how many states will receive a share of the funding, nor has it determined how much will be distributed during this first round.

Newest budget funds foundation formula

The latest version of the House education budget fully funds the school foundation formula while making \$50 million in cuts elsewhere.

House Budget Chairman Rep. Allen Ictet introduced the budget plan this week.

The latest proposal would reduce Gov. Jay Nixon's \$8.43 billion general revenue operating budget by \$50 million.

Nixon's budget included a proposed \$3.02 billion for the foundation formula when he introduced it in January, an \$18 million increase from the previous year. That increase still left the formula \$106 million short of full funding. Ictet's proposal would fully fund the formula. The proposal also keeps full funding for Career Ladder, but funds most of it with federal stabilization money, making its future uncertain.

Other areas of the budget that have

not changed from the governor's proposal include:

- Level funding for transportation and the Regional Professional Development Centers.
- A \$4 million cut to Parents as Teachers.
- A \$3.15 million cut to the Missouri Virtual Instruction Program.
- An \$11.6 million increase to early childhood special education.

Other changes are changes in language to ensure that Parents as Teachers continues screenings and home visits for high needs children and removing two regional professional development centers that were created last year.

The House Budget Committee is scheduled to work on the fiscal year 2011 budget when legislators return from next week's spring break.

State revenues continue to drop

State revenues for February were down \$57.5 million compared to last year, according to new numbers released this week.

In February, Missouri collected \$335.6 million, compared to \$393.1 million a year ago, a drop of almost 15 percent. The reduction is the latest in a string of bad news about the state budget.

Year-to-date revenues are also dismal, with general revenue down 12.7 percent for the current fiscal year, or a decline of \$610 million.

This is the second year in a row that Missouri's revenue has declined. In fiscal 2009, state revenues fell 7 percent compared to 2008. State officials are considering merging state agencies, raising fees or making deep cuts to public services due to the two-year decline.

Revenue projects are calculated and released by a team that includes staff in the governor's office and budget leaders in the House and Senate.

This decline means that lawmakers will be recalculating revenue projections for this fiscal year and the 2011 fiscal year, which begins

July 1. The original projections for this fiscal year showed a 6.4 percent decline in revenues. With the 12.7-percent drop, more cuts are expected to balance this year's state budget. Lawmakers originally projected a 3.6-percent revenue increase for next year, which now appears too optimistic.

Legislators and Gov. Jay Nixon are working to solve this economic crisis. The governor is expected to announce additional cuts to this year's budget.



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P.O. Box 458, Columbia, MO 65205
800-392-0532 > www.msta.org

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Retirement proposals would not affect PSRS/PEERS

Proposed retirement changes would have little impact on PSRS/PEERS, although they have received much discussion this session.

SB896 (Shields) would require the boards of the Missouri State Employees' Retirement System (MOSERS) and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) to each create a defined contribution retirement plan. This bill has passed the Senate Veterans' Affairs, Pensions and Urban Affairs Committee and been placed on the calendar for debate by the full Senate.

The bill, as it is written, would have no impact on PSRS/PEERS. If provisions were added that would affect PSRS/PEERS, MSTA would

notify members of the action taken and what affect this would have on teachers' retirement.

One bill that has been filed could have a negative effect on PSRS/PEERS, but it appears to have little support. **HB2113 (Koenig)** would require all state retirement systems, including PSRS/PEERS, to establish a defined contribution plan. PSRS has worked very well as a defined benefit plan. MSTA would oppose any effort to hurt the PSRS system, as **HB2113** would. This bill does not appear to have any traction and may not even be heard in committee.

Finally, there is **SB1050 (Crowell)**, which creates the Missouri Public Trust Co. This company would manage the investment of the

trust assets of MOSERS and MPERS. Other Missouri public pension systems, except for PSRS/PEERS and the Missouri Local Government Employees Retirement System, could contract with the company to act as trustee of their system's assets or to provide investment management or investment advisory services.

At the 2009 MSTA State Convention, delegates approved a resolution that opposes combining PSRS/PEERS funds with other retirement systems for investment purposes. SB1050 specifically excludes the teacher retirement systems from participating in this investment asset pool. MSTA will monitor the legislation for possible effects to PSRS/PEERS.

Bill Summaries

HOUSE

SPECIAL COMMITTEE ON WORK FORCE DEVELOPMENT AND SAFETY

HB1892 (Nasheed) authorizes specified school employees in addition to the school superintendent to issue a student work certificate. Voted out "do pass" consent.

HB1960 (Ruestman) establishes the School Construction Act, which exempts the construction and maintenance work done for certain school districts from the prevailing wage rate requirement upon the school board's approval.

SENATE

EDUCATION

SB775 (Days) adds an additional weight for gifted education to the elementary and secondary education funding formula.

MSTA testified in support. See related story.

SB835 (Rupp) changes provisions relating to high risk or alternative charter schools and dropout prevention and recovery.

SB936 (Pearce) establishes the Missouri Science, Technology, Engineering and Mathematics Initiative to increase interest among elementary and secondary students in fields of study related to science, technology, engineering, and mathematics.

SB962 (Schaefer) requires school districts to identify gifted students and establish programs or services for gifted students. **MSTA testified in support.** See related story.

Bills would give weight for gifted funding

Two bills introduced in the Senate would improve funding for gifted education in Missouri.

The Senate Education Committee heard **SB775 (Days)** and **SB962 (Schaefer)** this week.

SB775 (Days) would add weight for gifted education to the K-12 funding formula. The gifted education pupil count would be defined as the number of students who qualify as gifted under state law and who are enrolled in a school district's gifted education program on the last Wednesday in January for the preceding school year. This number could not exceed 5 percent of a school district's enrollment for the preceding academic year. The definition of "weighted average daily attendance" would have to include the district's gifted educa-

tion pupil count beginning on July 1, 2010, multiplied by .25.

SB962 (Schaefer) proposes the same modifications to the school foundation formula as SB775, but would also require school districts to state whether they have a state-approved gifted program in their annual school accountability report card. The school district would also have to indicate if it has had a state-approved gifted education program in the previous three years.

This act would require school districts to identify gifted students and establish appropriate programs or differentiated services for them. The Department of Elementary and Secondary Education must develop a list of identification criteria with emphasis on early identification of gifted students.

Early graduation scholarship program proposed

A proposed scholarship would reward students who graduate early from Missouri high schools.

The Senate Education Committee heard **SB907 (Rupp)**, which would create a scholarship for students who graduate early from public high schools in Missouri. The Early High School Graduation Scholarship Fund would offer students scholarships of 80 percent of their district's state aid attributable to them. The high school from which the student graduated would be offered a grant of 20 percent of the school district's state aid attributable to that student.

A student could use the scholarship for tuition and mandatory fees while attending

a public or private college or university in Missouri. A scholarship recipient would have to use the scholarship within one year of graduating. Exceptions would be made for students who could not attend college because of service to a nonprofit organization, a state or federal government agency or the U.S. military.

We're taking a break

The Missouri General Assembly will be on spring break next week. MSTA Action will be taking a break as well. We will return Friday, March 19.