

MSTA ACTION

THE LEGISLATIVE BULLETIN OF THE MISSOURI STATE TEACHERS ASSOCIATION



Education had a good year

The state budget, economic development and health care dominated the 2009 General Assembly, but education managed to fare well in the session ending May 15.

Unlike in past sessions, public education was not under attack from school-choice supporters pushing vouchers, tuition tax credits and open enrollment. Discussions at the Capitol this year centered on improving education and not undermining the efforts of educators who work hard everyday.

Omnibus bill **SB291 (Shields)** was the session's education centerpiece, with sound reforms that have the potential to help students for many years. The biggest changes are the compulsory-attendance age and the School Flex Program.

Students will have to remain in school until age 17 or until they have earned 16 credits toward graduation. Previously, students had to attend school until age 16. Under the School Flex Program, eligible high school juniors and seniors can earn credits while working in an approved job. These changes will help keep students earning credits and enrolled in school while working, even if they are considering dropping out.

Another important change was the Missouri Preschool Plus Program, which will offer grants for preschool programs in unaccredited school districts. In the future, many more students entering unaccredited school districts will have the advantage of a quality preschool program. Over time, students who are better prepared for school will help their unaccredited districts earn full accreditation.

Another addition is the Senior Cadet Teaching Program is designed to help students who have an interest in becoming teachers. The plan would allow students to earn credit for cadet teaching, and earn tuition reimbursement during their undergraduate studies. This should help bring more teachers into the field, and help reduce student-loan debts for future teachers.

Two other provisions that will help

education are the removal of the 5-percent cap on the adequacy target in the foundation formula, and allowing districts the option of going to a four-day school week. Removing the 5-percent cap on the adequacy target will allow more state money to flow into public schools, and, over time, reduce the number of hold-harmless school districts receiving additional state money.

The optional four-day school week could allow districts to dramatically change the way they deliver education. They can set a school schedule that works best for their community, and use the extra day to deliver quality professional development to staff, enrichment opportunities for students or additional tutoring times.

Other SB291 provisions include:

- Changes to Proposition A.
- Allowing the Joint Committee on Education to conduct studies for charter schools, open enrollment and governance in the Kansas City 33 school district.
- More charter-school accountability.
- A stronger statewide P-20 Council.
- Creation of the Persistence to Graduation Fund for grants to implement dropout-prevention strategies.
- Requirement of public schools to develop teaching standards.
- A bill of rights for the parents of children with Individualized Education Plans.
- Allowing districts to receive state aid for offering online courses to resident enrolled students.
- The Foster Care Education Bill of Rights.
- Standards for elementary physical education.
- Allowing a merit-pay system for St. Louis Public Schools.
- Allowing school districts to make up no more than 10 days missed for inclement weather.

State professional development funds cut

Just two years ago, the state spent \$20 million to help districts provide professional development for educators, but funding for those programs has dropped by 65 percent.

Previously, the General Assembly appropriated professional-development funding, also called critical-needs funding, to the Department of Elementary and Secondary Education in a lump sum. DESE then distributed the money to grant recipients for related projects. In FY2008, the funding level was \$20 million, and in FY2009, the funding was reduced to \$15 million, with DESE still deciding the projects that received funding.

That all changed this session when legislators cut the funding to \$7 million, and listed specific projects to receive funding. This removed DESE from making the decisions on grant distribution.

Neither approach is perfect. The

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Federal money aids K-12 budget

In an unusual legislative session marked by an economic downturn and infusion of federal money, the General Assembly passed a \$5.4 billion budget for the Department of Elementary and Secondary Education.

Appropriation bill **HB2** includes more than \$525 million in federal stabilization funding, which will reduce the general revenue needed to fund the foundation formula and the categoricals. Due to a decrease in corporate tax collection, the state would have had to find an additional \$126.2 million to maintain FY2009 appropriation levels, so the federal funding is much needed. Because federal money from the American Recovery and Reinvestment Act of 2009 is one-time funding, programs funded with this money could be eliminated or reduced in the future.

Funding for professional development was a major issue during budget discussions. In previous years, DESE had more control over how this money was spent, but some legislators said they did not like having the department make those decisions. Instead, lawmakers created line items for specific programs totaling \$7 million. This is a decrease from last year's critical-needs appropriation of \$15 million. The Scholars and Fine Arts academies will receive \$259,000 of that funding, which is reduced from previous years.

Career Ladder was funded at the FY2009 level. The department asked for an increase of \$300,000 for FY2010. Career Ladder in FY2010 will be funded with one-time federal money raising concerns that the program could be eliminated in the future.

Legislators added more than \$48 million for the foundation formula and \$15.8 million for transportation over the previous appropriation.

Proposition A money is also included in the DESE budget through the Schools First Elementary and Secondary Education Improvement Fund. Officials are estimating just over \$108 million in this fund for FY2010, which includes more than \$104 million in new money.

In addition to professional development, many other programs saw reductions in the FY2010 budget, including Parents As Teachers, virtual schools and early-grade literacy. DESE lost 20 full-time positions, which could impact teachers mostly in the area of certification.

The bill also eliminates funding for the Urban Flight and Rural Need Scholarships, and Missouri Teacher Education Scholarship. Funding for the Minority Teacher Education Scholarship was placed in **HB3**, the appropriation for the Department of Higher Education.

Federal stimulus funding was passed in

separate appropriations bills, and included money for the Safe Schools grants, the National School Lunch Program, educational science grants, state incentive grants, technology projects, Title I funding for disadvantaged students and school improvement, special education, and First Steps.

The governor may veto specific line items in the appropriation bills when he signs them into law.

Professional development

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legislature should have some say over programs that get funding, but they are not experts on professional development. This issue needs to be addressed in future legislative years.

Programs covered in FY2010 are:

- Regional Professional Development Centers, \$2,919,946.
- Missouri Assessment Program, \$2,464,623.
- School improvement initiatives to develop professional-learning communities, \$998,846.
- Educational indicators for the Missouri School Improvement Program, \$405,000.
- Training for newly elected school-board members, \$136,000.
- Scholars and Fine Arts academies, \$259,000.
- Support for teachers in teaching personal finance and economics, \$155,000.

Programs that did not receive funding include:

- Select Teachers as Regional Resources (STARR)
- Project Outcomes
- Missouri Leaders
- Practical Parenting Partnerships Center
- Mentoring New Leaders
- Parents as Teachers National Center
- Missouri Reading Initiative
- Project Success
- Effective leadership implementation series
- Critical-needs system evaluation
- Intensive assistance to districts
- Standards for teacher-education programs
- Missouri Advisory Council of Certification for Educators

FY2010 Funding for K-12 Education

Program	FY2009 Appropriation	Final FY2010 Appropriation	Difference Between FY2009 & FY2010
Foundation Formula	\$2,956,219,738	\$3,004,388,410	\$48,168,672
Critical Needs	\$15,000,000	\$7,000,000	(\$8,000,000)
Transportation	\$167,797,713	\$183,603,843	\$15,806,130
Early-childhood Special Ed.	\$98,811,209	\$123,564,281	\$24,753,072
Career Ladder	\$37,467,000	\$37,467,000	\$0
Vocational Education	\$52,930,428	\$52,930,428	\$0
Parents as Teachers	\$34,304,651	\$30,874,186	(\$3,430,465)
Transportation for St. Louis Public Schools	\$750,000	\$750,000	\$0
Small Schools	\$15,000,000	\$15,000,000	\$0
Virtual Schools Program	\$5,800,000	\$4,800,000	(\$1,000,000)
Early Grade Literacy Program	\$500,000	\$145,000	(\$355,000)
A+ Schools	\$25,336,524	\$25,336,524	\$0
MAP	\$15,250,344	\$15,013,039	(\$237,305)
Character Ed	\$860,571	\$774,514	(\$86,057)
Advanced Placement	\$355,000	\$105,000	(\$250,000)
Early Childhood Programs	\$16,179,800	\$16,179,800	\$0
Safe Schools	\$3,122,128	\$0	(\$3,122,128)
Public Charter Schools	\$2,494,500	\$2,632,000	\$137,500
Scholarships	\$623,970	\$0	(\$623,970)
eMINTS	\$1,000,000	\$1,000,000	\$0
Special Ed Excess Costs	\$21,011,563	\$25,886,245	\$4,874,682
First Steps	\$29,226,184	\$30,376,184	\$1,150,000
Technology Grants	\$5,000,000	\$5,000,000	\$0
Special Education	\$230,315,211	\$235,315,211	\$5,000,000
Title I of NCLB	\$200,000,000	\$200,000,000	\$0

Social Security issue resolved for most teachers

Most full-time teachers will see no change in retirement or Social Security contributions based on a report prepared by the Federal Section 218 Task Force for Missouri School Districts.

Concerns arose in October that teachers would need to pay into Social Security in addition to Missouri's teacher-retirement system.

Under the task force's recommendations, a full-time teacher will be excluded from Social Security coverage and contributions if they hold a license to teach and Missouri law requires a teaching license for the job they hold. Those teachers will continue to contribute to, and receive benefits from, the Public School Retirement System, or PSRS. The recommendations of the task force will take effect July 1, 2010.

The report addresses the findings of the task force, which was organized to determine the proper application of the Missouri Section 218 agreement and subsequent coverage modifications. The task force also was charged with developing a process to evaluate which positions in Missouri public schools are subject to Social Security coverage. The task force was formed at the request of Missouri's congressional delegation last fall and included representatives from the Social Security Administration, the Internal Revenue Service, the Missouri Office of Administration and PSRS/PEERS.

The Social Security Administration will rely heavily on DESE core data codes in determining if certification is required by law. School districts use these codes to submit information for all employees based upon the employee's job duties.

General categories for core data:

10 – Central Office Administration

20 – Building Principals

30 – Supervisors

40 – Media Personnel

50 – Guidance Personnel/Placement Specialists

60 – Teachers

70 – Other Pupil Service Personnel

80 – Aides

90 – Ancillary Personnel

Codes 10 – 60: These are positions that clearly require a teaching certificate or license. There will be no change for workers in these positions. They will not pay into Social Security, if they are working full-time, including extra duties.

Codes 70 – 90: The school district will determine Social Security participation based on the guidelines in the task force report. Individuals should check with their district to discuss their interpretation. The Missouri Office of Administration Web site, oa.mo.gov/acct/ssa.htm, has a form that school districts can complete to evaluate a position. Teachers cannot complete the form — it must be done by a school district.

Code 70: For specific assignments identified under position code 70, Other Pupil Services Personnel, if the position requires a certificate according to DESE codes and the teacher is working full time in that assignment, the teacher would not pay Social Security taxes.

Codes 80 and 90: Individuals under these position codes are a mixed bag. Some positions in this group require certification according to DESE codes and workers in those positions will not pay Social Security if working full time. But several positions in this group do not require a license to

teach, even though the individual may hold a certificate. Therefore, these individuals will pay Social Security taxes beginning July 1, 2010.

The task force also reported that if a school district employee occupies a position that is excluded from Social Security coverage, then any compensation received by the employee for extra duties while in that position, will be excluded from Social Security coverage. If the employee occupies any additional positions with the same employer, compensation received for the additional positions will be excluded from Social Security coverage. Conversely, if the employee occupies a position covered by Social Security, any compensation received by the employee for extra duties performed while in that position, or for any additional positions occupied by the employee with the same employer, will be covered by Social Security.

It is extremely difficult to make determinations about part-time employees. School districts have been divided into four categories based on when the school district executed its Section 218 coverage modification. The status of a part-time teacher may depend upon the category in which the district falls. Part-time teachers should check with their school district to determine in which category they fall.

The task force also concluded that retired teachers working under the 550-hour rule will be required to pay Social Security taxes beginning July 1, 2010 and school districts will be required to match these contributions.

More information can be found at oa.mo.gov/acct/schooldistricts.htm.

Read the report at www.fixteacherretirement.com.

Changes to retirement system pass

Provisions that aim to make the Public School Retirement System more efficient have passed in **HB265 (Franz)**, and **SB411 (Crowell)**, but language to prevent retirees from abusing the retirement system was removed.

Senators removed sections of the legislation that were designed to curb abuse of the retirement system by retirees who return to the workforce. Retirees would have had to cease work for at least one month before starting part-time work to be deemed retired and receive a monthly benefit payment. The bill also required the hours worked during retirement to be counted on a pro-rata basis if the employee retired during the school year.

The legislation's sponsors have said they

will address the issues of working post-retirement during next year's session.

Changes passed include:

- Allowing the Board of Trustees of the retirement systems to combine money from both systems into one account for investment purposes only. Each system's funds will be accounted for separately otherwise.
- Allowing a member who purchases prior service credit who has not paid for the service by Sept. 30 to have the price recalculated as of Oct. 1 each year, instead of charging interest. Currently, if a member has not paid for the service by June 30, the price is recalculated as of July 1.
- Allowing the retirement systems to pro-

hibit or impose requirements for purchasing service if necessary to comply with federal law.

- Specifying that, upon a member's death, benefits will be paid in the order of: surviving spouse; surviving children equally; surviving parents equally; or the estate of the last person receiving benefits if a member chooses a guaranteed payment and no designated beneficiary is living.
- Prohibiting additional nonprofit educational associations or organizations from joining the retirement system after July 1, 2010.
- Allowing the retirement systems to indemnify and protect any trustee or employee against liability claims.

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Truly agreed to and finally passed bills

The following bills have been approved by the General Assembly and await action by the governor. All new laws will take effect Aug. 28, unless they contain an emergency clause.

HOUSE BILLS

HB2 (Icet) is the appropriation for the State Board of Education and Department of Elementary and Secondary Education. (See page 2 for related story.)

HB236 (Lipke) requires school districts to adopt policies to allow students with a disability to participate in graduation ceremonies with their graduation class.

HB265 (Franz) changes laws regarding the Public School Retirement System of Missouri and the Public Employee Retirement System of Missouri.

HB289 (Wallace) requires the designation of an agent for binding signature on a placement settlement, and makes the five-business-day notice applicable to all special-education due-process hearings.

HB373 (Wallace) creates the General Educational Development (GED) revolving fund.

HB490 (Schad) allows all public vocational and technical schools to participate in the A+ Schools Program without stipulations.

HB506 (Funderburk) requires the governor to annually issue a proclamation declaring the first week of March as Math, Engineering, Technology and Science Week.

HB525 (Grisamore) requires the Division of Developmental Disabilities to establish programs and services for individuals diagnosed with autism in cooperation with families, regional councils and a newly established committee.

HB682 (Swinger) allows an exception for the 2008-09 school year regarding school make-up days due to inclement weather.

HB922 (Joe Smith) requires each school district to adopt a policy on allergy prevention and response.

SENATE BILLS

SB157 (Schmitt) codifies into law the five regional autism projects serving persons with autism.

SB232 (Cunningham) prohibits certain public agencies and political subdivisions from discrimination based on an individual's elementary and secondary education program.

SB291 (Shields) relates to education. (See page 1 for related story.)

SB411 (Crowell) makes certain employees of the Missouri Development Finance Board members of the Missouri State Employees' Retirement System, and changes laws regarding the Public School Retirement System of Missouri and the Public Employee Retirement System of Missouri.