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HEALTHY PUBLIC SCHOOLS = A HEALTHY ST. LOUIS

Posted on February 3, 2017 by John S. Meyer



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Shortly after his January 9, 2017 inauguration, Governor Eric Greitens announced how he plans to cut \$146 million from the state budget. The St. Louis Business Journal pinned the blame for Missouri's budget imbalance on a <u>drastic reduction in corporate income tax</u> collections due to 2013 changes in Missouri's tax law.

Meanwhile, proposals are floating in Jefferson City to completely eliminate corporate income tax in our state. Unless alternative revenue sources are discovered, this could exacerbate under-funding of our state's commitment to public education. That would not bode well for the St. Louis Region's public schools, a number of which already teeter on or over the brink of unaccredited status.

Foundation Funding Formula

So far, Governor Greitens has directed his cuts to higher education. "Not a single penny will be taken out of K-12 classrooms," Greitens said in a social media video accompanying the announcement. That is good, because public K-12 programs in our state can ill afford cuts in funding. The state consistently fails to fulfill the promise of the <u>Foundation Funding Formula</u> enacted in 2005 to ensure adequate funding in all school districts regardless of local revenues (such as property taxes).

The formula is complicated. In essence, the state looks at top performing districts and sets an

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annual expenditure per student deemed adequate to cover the costs of education. To the extent revenues from local sources fall short, the state is supposed to make up the difference. However, the formula has never been fully funded. Last year, even after reducing the minimum annual expenditure, the state fell about \$150 million <u>short of full funding</u>. By failing to honor the state's <u>Constitutional</u> obligation to provide adequate free public education we sell short our economic potential and the rights and liberties of our citizens.

The Missouri Constitution states:

"A general diffusion of knowledge and intelligence being essential to the preservation of the rights and liberties of the people, the general assembly shall establish and maintain free public schools for the gratuitous instruction of all persons in this state within ages not in excess of twenty-one years as prescribed by law.

Source: Const. of 1875, Art. IX, Sec. 1(a). (Amended August 3, 1976).

In his informative and lively book, <u>How the Scots Invented the Modern World</u>, Arthur Herman credits the eighteenth century's most advanced and universally accessible free system of public education for numerous important contributions to science, philosophy, literature, education, medicine, commerce, and politics by Scottish people. Herman posits that these contributions have formed and nurtured the modern world ever since.

Are we making sufficient investment in education in the twenty-first century to drive and inspire the innovations that will be essential to the survival, if not betterment, of future generations?

Sadly, the answer seems to be "no." But, Missouri is fortunate to have a governor as well as superintendents, faculty and administrators across even our poorest districts who express commitment to fulfilling the Missouri Constitution's education mandate and progress is being made.

Last November the St. Louis Post Dispatch reported:

"For the first time in years, all Missouri school districts perform well enough on their annual report cards to qualify for at least a provisional seal of approval from the state"

The annual assessment performed by the Missouri Department of Elementary and Secondary Education (DESE) measures quality in schools on the basis of academic performance. The scoring system rewards districts for improvements year to year. Graduation rates, attendance and college and career readiness are also taken into account.

Accreditation (or lack thereof) has important financial ramifications. Based on the Missouri Supreme Court's decision in *Breitenfeld vs. Clayton* (2013), students who live in unaccredited districts may transfer to accredited districts and the unaccredited district must pay the average amount spent per student by the transferee district, plus transportation costs. Many believe it unfair to assume that the

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additional incremental cost for each transferring student incurred by the transferee district equates to the average expenditure per student.

This is not true if a transferee district already has sufficient capacity to accommodate additional students without hiring additional faculty and administrators, as is often the case. While permitting students to transfer out of an unaccredited district is consistent with the Missouri Constitution, taxing unaccredited districts at rates as high as \$22,000 per year per transferring student is not. This places an unfair burden on an unaccredited districts' efforts to educate the students who elect not to transfer.

Until very recently, two school districts in the St. Louis region were unaccredited – Normandy and Riverview Gardens. After losing accreditation ten years ago, and then operating under provisionally accredited status for the last few years, the City of St. Louis Public Schools <u>were awarded full</u> <u>accredited status</u> earlier this month. Over the last 4 years, the transfer law has drained millions of dollars from the Normandy and Riverview Gardens Districts.

Nevertheless, Riverview Gardens recently regained provisional accreditation and Normandy's performance is improving. The superintendents of Normandy and Riverview, their administrative staff and faculty deserve our unbridled admiration for achieving dramatic improvements in their recent DESE ratings under such challenging conditions. There remains considerable room for improvement. Imagine what would have been possible if they not been saddled with the obligation to pay millions of dollars per year to wealthier, accredited districts.

Bills are pending in Jefferson City this session that would nip around the edges of transfer costs by restricting eligibility for transfers and capping the amount of tuition paid for student transfers at lower levels. While such well-intentioned measures might reduce the outflow of funds from unaccredited districts, they will not address the underlying issue. Some school districts simply do not receive all of the funds to which they are entitled to fulfill the Missouri Constitution's mandate to offer an adequate education to all students. Until the Foundation Formula is funded fully, we will be selling short our students and the potential of our region. We owe it to ourselves and future generations to meet the challenge to fully fund public education in the St. Louis Region, as the Missouri Constitution commands.

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