

MISSOURI SCHOOL ADMINISTRATORS COALITION

MEMORANDUM

TO: MISSOURI HOUSE OF REPRESENTATIVES
FROM: MISSOURI SCHOOL ADMINISTRATORS COALITION
SUBJECT: HB 1253
DATE: FEBRUARY 3, 2014
CC: GOVERNOR JAY NIXON

It has come to our attention that the House will soon take up HB 1253 for floor debate. This memo is intended to lay out the position of our member organizations and the 4,300 superintendents, principals and central office staff that they represent.

The fiscal impact of HB 1253 on state revenues is unreliable. Currently, the cost estimate of HB 1253 has a wide range because the deduction contained in HB 1253 is tied to the ever-changing federal tax code. According to the Committee on Legislative Research, the cost of HB 1253 varies between \$72 and \$350 million, making it unclear how much state revenue is going to be at risk when the bill is fully phased in. The Missouri Budget Project estimates that the cost could be as much as \$698 million.

HB 1253 costs too much and leaves it uncertain if state services, like education, are going to be further affected. In the current fiscal year, Missouri schools are receiving \$620 million less than the foundation formula requires to be spent in Missouri classrooms. To date, Missouri has borrowed a total of \$1.2 billion from classrooms to balance its budgets over the last four years.

Missouri economy is growing and has created more jobs in the last year than any neighboring state. Missouri is already a low tax state and over the past year Missouri created 44,000 jobs, good for top ten in the country. Additionally, the state for the first time in several years is discussing having enough annual revenues to make investments in vital areas like education. Large and permanent tax cuts endanger this progress.

As states have made drastic cuts to their tax codes in an effort to catch Missouri's low tax burden, their budgets are suffering. States like Kansas have substantially cut taxes over the last two years. As a result, Kansans are looking at major cuts to state services in the coming years in order to avoid going insolvent by 2019. To make up for cuts that have already been made, local taxpayers across the state are being asked to pay higher property taxes while schools are currently in a lawsuit with the state arguing that cuts to education have violated the state's responsibility to adequately fund schools.

Both taxes and education play a significant role in economic development. Because of this, we will continue to work with legislative leaders on a plan that addresses the concerns that we have listed so that Missouri's ability to adequately fund its schools. **At this time, we ask that you vote NO on HB 1253.**

Missouri Association of School Administrators • Missouri Association of Elementary School Principals
Missouri Association Secondary School Principals • Missouri Association of School Business Officials
Missouri Council of Administrators of Special Education • Missouri Association of Rural Education
Missouri United School Insurance Council • Missouri State High School Activities Association
Missouri K-8 Association

