

MISSOURI SCHOOL ADMINISTRATORS COALITION

MEMORANDUM

TO: MISSOURI GENERAL ASSEMBLY
FROM: MISSOURI SCHOOL ADMINISTRATORS COALITION
SUBJECT: HB 1295 & SB 509
DATE: FEBRUARY 3, 2014
CC: GOVERNOR JAY NIXON

It has come to our attention that the House and Senate will soon take up HB 1295 and SB 509 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 impacts of HB 1295 and SB 509 are more devastating than HB 253 from last year. Currently, the annual cost estimates of HB 1295 and SB 509 range from \$703 million - \$928 million according to the legislature's own fiscal analysis while the Missouri Budget Project projects these bills to annually cost the state \$1.5 billion - \$1.8 billion once fully phased-in.

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 and Oklahoma have substantially cut taxes over the last two years. As a result, legislators in both states are looking at shortfalls while residents in those states are looking at major cuts to state services. Oklahoma revenues have tanked to the tune of a \$170 million shortfall for the upcoming year. While Kansas' shortfall is \$169 million this year and \$288 million for FY 2015.

Just like in other states, HB 1295 and SB 509 stands to negatively impact state services, like education. In Kansas, to make up for cuts that have already been made, local taxpayers across Kansas are being asked to pay higher property taxes while Kansas schools are currently in a lawsuit with the state arguing that cuts to education have violated the state's responsibility to adequately fund schools. 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 schools simply cannot absorb any additional cuts with out more programs being cut or property taxes being increased.

Missouri's 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. For the first time in several years, Missouri will have enough annual revenues to make investments in vital areas like education. Large, permanent tax cuts endanger this progress.

Because of the reasons listed above we ask that you vote NO on HB 1295 and SB 509.

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

