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## **Sen. Green Demands Fair Tax Assessments for Urban-Rural School Districts**

Jefferson City, MO – School districts represented by Sen. Tim Green would lose \$16.5 million in state funding under a bill debated today on the Senate floor. In order to soften the blow to urban and suburban districts, Sen. Green authored an amendment that called on the State Board of Education to ensure that the local property tax assessment practices in rural Missouri are fair and equitable.

SB 287, sponsored by Republican Sen. Charlie Shields (St. Joseph) proposes to change the way money is distributed to schools under the Foundation Formula.

Under the proposed bill, the Jennings School District will lose \$1,896,586, Riverview Gardens School District will lose \$2,915,719, and the Hazelwood School District will lose \$277,810. The biggest hit will be felt by Ferguson-Florissant R-II, which stands to lose \$11,479,161.

“Property taxes are now frozen in Ferguson-Florissant R-II and new construction revenue only averages \$2-million per year. State aid is the district’s only new revenue source,” Sen. Green said.

“Under the proposed formula, this school district would be ‘hold harmless’ which a misnomer, Sen. Green said. “Ferguson-Florissant R-II is a \$110-million operation with nearly 1,700 teachers and staff that requires at least \$5 million in new revenue each year just to maintain the status quo. Ferguson-Florissant has cut over \$12 million from the school budget in last three years.”

Meanwhile, many Republican districts will see increases in state money including Rockwood R-VI, located in Republican leader Sen. Michael Gibbons’ district, which will receive \$11,285,559 under the new formula.

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Currently in rural Missouri, the tax assessment practices have been found to be both unfair and inequitable compared to the stricter urban property tax assessments. Rural Republican senators voted down the worthy amendment that would ensure fairness. Sen. Green will not support the current proposal without this amendment that guarantees urban districts' are treated fairly under any new formula.

The current problem is that current state funding for education is based primarily on local property values. The state tries to equalize resources by providing state money to poorer districts to make up for their lack of property available to tax. Property values rise faster in urban and suburban areas than in rural towns, so the revenues of rural schools cannot keep up. In addition, many rural communities tax at the lowest possible rate while urban and suburban districts often set much higher rates. As a result, some districts spend less than \$5,000 per student while others spend more than \$13,000 per student. The state has under-funded the current foundation formula by about \$800 million.

Under the new system, districts with high property tax rates will lose money under the new formula, though they would be allowed to at least keep their current level of state aid. All districts will be treated as if their operating levy is \$3.35. It will be called the district's "performance levy." If a district currently levies less than \$3.35, they will receive state aid as if they were collecting \$3.35. If a district currently has a higher levy than \$3.35, they receive state aid at the \$3.35 level and then get to keep whatever is left over.

The problems with this proposal are numerous. The greatest concern is that the plan will cost about \$665 million more over five years in state funds. Even more concerning is the fact that no plans have been discussed on how the state will find this money.

"I support SJR 16, offered by Sen. Maida Coleman of St. Louis that would fund the current or any new foundation formula by allowing Missouri voters decide how the state will fund public education. This resolution was supported by the St. Louis Board of Education, MSBA, NEA, MSTA during public testimony," said Sen. Green.

SJR 16 proposes possible funding mechanisms for fully funding any foundation formula approved by the General Assembly. Under the resolution, Missouri voters would then give final approval to the proposed funding sources. This would give the people of Missouri ownership of the public education system. The people will decide how much should be raised, how much should be spent and on what the resources should be spent.

"The citizens of Missouri must be given the opportunity to determine the future of education in their local school districts. If they support this, every cent of the money raised will go to K-12 education for school construction, better teacher salaries, smaller class sizes, remedial reading and after-school programs," said Sen. Green.

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