

Local/Region

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School funding trial focuses on property assessments

KELLY WIESE
Associated Press

JEFFERSON CITY, Mo. - A trial on how the state funds public schools focused Thursday on suburban districts' concerns that some areas are undervaluing property, a key factor in the state method of doling out education dollars.

Early witnesses and evidence narrowed in on property assessment practices around the state, a particular concern to 26 largely suburban plaintiff school districts in the Coalition to Fund Excellent Schools.

The lawsuit argues the state doesn't put enough money in public education and doesn't fairly distribute the money. Missouri's budget includes about \$2.7 billion in basic state aid for the 524 public school districts this year.

Lawmakers overhauled the school funding formula in 2005, setting a target of what it takes to provide a sound education to each student, derived from spending levels by districts that score highest on a state report. The formula determines what each district should receive and provides state money for what is not raised locally through property taxes.

The suburban group believes property is being undervalued in parts of the state, meaning local districts aren't receiving as much money as they should with a given tax rate, forcing the state to spend more than it should to help some schools.

Thursday's testimony focused on a report on property assessments that the coalition commissioned from the University of Missouri-St. Louis Public Policy Research Center. The report by Steven Gardner, released in November, concluded that just four of 27 counties studied met the state requirement to capture 95 percent of property value in 2003-04. It found an average assessment level of 79 percent of value. Assessment levels in the sample of counties ranged from 98 percent of value in Audrain County to 57 percent in Washington County.

"There are very few who have results that are approaching the 100 percent requirement under the law," Gardner said.




His report also found that a State Tax Commission study of property assessments wasn't reliable, as it found nearly the opposite, that 23 of those 27 counties meet the standard and an average assessment level of nearly 99 percent.

While testifying, Gardner, a former state legislator, acknowledged federal convictions of mail and wire fraud stemming from work for a savings and loan in 1987, but he said he has had no further problems and the convictions did not affect his property assessment research.

The assessment issue should consume the first few days of the trial, which could last about six weeks, before Cole County Circuit Judge Richard Callahan.

The coalition is more concerned about the assessment issue than the main group of 236 plaintiff school districts, which range from large to small, rural to urban. The suburban coalition was happier with the new formula but stayed in the lawsuit to push for more money, to fight any effort to redistribute money from rich to poor districts and to argue the formula should better account for metropolitan areas' higher costs of living.

Case is Committee for Educational Equality v. State of Missouri, 04CV323022.

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