

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 904

98TH GENERAL ASSEMBLY

Reported from the Committee on Education, March 31, 2016, with recommendation that the Senate Committee Substitute do pass.

5842S.03C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal sections 162.720 and 163.031, RSMo, and to enact in lieu thereof two new sections relating to gifted education, with a delayed effective date for a certain section.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 162.720 and 163.031, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 162.720 and 163.031, to read as follows:

162.720. 1. Where a sufficient number of children are determined to be gifted and their development requires programs or services beyond the level of those ordinarily provided in regular public school programs, districts may establish special programs for such gifted children.

2. The state board of education shall determine standards for such programs. Approval of such programs shall be made by the state department of elementary and secondary education based upon project applications submitted by July fifteenth of each year.

3. No district shall make a determination as to whether a child is gifted based on the child's participation in an advanced placement course or international baccalaureate course. Districts shall determine a child is gifted only if the child meets the definition of "gifted children" as provided in section 162.675.

163.031. 1. The department of elementary and secondary education shall calculate and distribute to each school district qualified to receive state aid under section 163.021 an amount determined by multiplying the district's weighted average daily attendance by the state adequacy target, multiplying this product by the dollar value modifier for the district, and subtracting from this product the

6 district's local effort and subtracting payments from the classroom trust fund
7 under section 163.043.

8 2. Other provisions of law to the contrary notwithstanding:

9 (1) For districts with an average daily attendance of more than three
10 hundred fifty in the school year preceding the payment year:

11 (a) For the 2008-09 school year, the state revenue per weighted average
12 daily attendance received by a district from the state aid calculation under
13 subsections 1 and 4 of this section, as applicable, and the classroom trust fund
14 under section 163.043 shall not be less than the state revenue received by a
15 district in the 2005-06 school year from the foundation formula, line 14, gifted,
16 remedial reading, exceptional pupil aid, fair share, and free textbook payment
17 amounts multiplied by the dollar value modifier, and dividing this product by the
18 weighted average daily attendance computed for the 2005-06 school year;

19 (b) For each year subsequent to the 2008-09 school year, the amount shall
20 be no less than that computed in paragraph (a) of this subdivision, multiplied by
21 the weighted average daily attendance pursuant to section 163.036, less any
22 increase in revenue received from the classroom trust fund under section 163.043;

23 (2) For districts with an average daily attendance of three hundred fifty
24 or less in the school year preceding the payment year:

25 (a) For the 2008-09 school year, the state revenue received by a district
26 from the state aid calculation under subsections 1 and 4 of this section, as
27 applicable, and the classroom trust fund under section 163.043 shall not be less
28 than the greater of state revenue received by a district in the 2004-05 or 2005-06
29 school year from the foundation formula, line 14, gifted, remedial reading,
30 exceptional pupil aid, fair share, and free textbook payment amounts multiplied
31 by the dollar value modifier;

32 (b) For each year subsequent to the 2008-09 school year, the amount shall
33 be no less than that computed in paragraph (a) of this subdivision;

34 (3) The department of elementary and secondary education shall make an
35 addition in the payment amount specified in subsection 1 of this section to assure
36 compliance with the provisions contained in this subsection.

37 3. School districts that meet the requirements of section 163.021 shall
38 receive categorical add-on revenue as provided in this subsection. The categorical
39 add-on for the district shall be the sum of: seventy-five percent of the district
40 allowable transportation costs under section 163.161; the career ladder

41 entitlement for the district, as provided for in sections 168.500 to 168.515; the
42 vocational education entitlement for the district, as provided for in section
43 167.332; and the district educational and screening program entitlements as
44 provided for in sections 178.691 to 178.699. The categorical add-on revenue
45 amounts may be adjusted to accommodate available appropriations.

46 4. For any school district meeting the eligibility criteria for state aid as
47 established in section 163.021, but which is considered an option district under
48 section 163.042 and therefore receives no state aid, the commissioner of education
49 shall present a plan to the superintendent of the school district for the waiver of
50 rules and the duration of said waivers, in order to promote flexibility in the
51 operations of the district and to enhance and encourage efficiency in the delivery
52 of instructional services as provided in section 163.042.

53 5. (1) No less than seventy-five percent of the state revenue received
54 under the provisions of subsections 1 and 2 of this section shall be placed in the
55 teachers' fund, and the remaining percent of such moneys shall be placed in the
56 incidental fund. No less than seventy-five percent of one-half of the funds
57 received from the school district trust fund distributed under section 163.087
58 shall be placed in the teachers' fund. One hundred percent of revenue received
59 under the provisions of section 163.161 shall be placed in the incidental
60 fund. One hundred percent of revenue received under the provisions of sections
61 168.500 to 168.515 shall be placed in the teachers' fund.

62 (2) A school district shall spend for certificated compensation and tuition
63 expenditures each year:

64 (a) An amount equal to at least seventy-five percent of the state revenue
65 received under the provisions of subsections 1 and 2 of this section;

66 (b) An amount equal to at least seventy-five percent of one-half of the
67 funds received from the school district trust fund distributed under section
68 163.087 during the preceding school year; and

69 (c) Beginning in fiscal year 2008, as much as was spent per the second
70 preceding year's weighted average daily attendance for certificated compensation
71 and tuition expenditures the previous year from revenue produced by local and
72 county tax sources in the teachers' fund, plus the amount of the incidental fund
73 to teachers' fund transfer calculated to be local and county tax sources by dividing
74 local and county tax sources in the incidental fund by total revenue in the
75 incidental fund.

76 In the event a district fails to comply with this provision, the amount by which
77 the district fails to spend funds as provided herein shall be deducted from the
78 district's state revenue received under the provisions of subsections 1 and 2 of
79 this section for the following year, provided that the state board of education may
80 exempt a school district from this provision if the state board of education
81 determines that circumstances warrant such exemption.

82 6. **(1)** If a school district's annual audit discloses that students were
83 inappropriately identified as eligible for free and reduced lunch, special
84 education, or limited English proficiency and the district does not resolve the
85 audit finding, the department of elementary and secondary education shall
86 require that the amount of aid paid pursuant to the weighting for free and
87 reduced lunch, special education, or limited English proficiency in the weighted
88 average daily attendance on the inappropriately identified pupils be repaid by the
89 district in the next school year and shall additionally impose a penalty of one
90 hundred percent of such aid paid on such pupils, which penalty shall also be paid
91 within the next school year. Such amounts may be repaid by the district through
92 the withholding of the amount of state aid.

93 **(2) In the 2017-18 school year and in each subsequent school**
94 **year, if a district experiences a decrease in its gifted program**
95 **enrollment of twenty percent or more from the previous school year, an**
96 **amount equal to the product of the difference between the number of**
97 **students enrolled in the gifted program in the current school year and**
98 **the number of students enrolled in the gifted program in the previous**
99 **school year multiplied by six hundred eighty dollars shall be subtracted**
100 **from the district's current year payment amount. The provisions of this**
101 **subdivision shall apply to districts entitled to receive state aid**
102 **payments under both subsections 1 and 2 of this section but shall not**
103 **apply to any school district with an average daily attendance of three**
104 **hundred fifty or less.**

105 7. Notwithstanding any provision of law to the contrary, in any fiscal year
106 during which the total formula appropriation is insufficient to fully fund the
107 entitlement calculation of this section, the department of elementary and
108 secondary education shall adjust the state adequacy target in order to
109 accommodate the appropriation level for the given fiscal year. In no manner shall
110 any payment modification be rendered for any district qualified to receive

111 payments under subsection 2 of this section based on insufficient appropriations.

Section B. Section 163.031 of Section A of this act shall become effective

2 July 1, 2017.

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Bill

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