

SECOND REGULAR SESSION
[P E R F E C T E D]
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 781
89TH GENERAL ASSEMBLY

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TERRY L. SPIELER, Secretary.

S2966.14P

AN ACT

To repeal sections 162.081, 162.571, 162.581, 162.601, 162.621, 162.935, 163.161, 166.275 and 168.221, RSMo 1994, and sections 163.011 and 163.031, RSMo Supp. 1997, relating to education, and to enact in lieu thereof twenty-four new sections relating to the same subject with a contingent effective date for certain sections.

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

Section A. Sections 162.081, 162.571, 162.581, 162.601, 162.621, 162.935, 163.161, 166.275 and 168.221, RSMo 1994, and sections 163.011 and 163.031, RSMo Supp. 1997, are repealed and twenty-four new sections enacted in lieu thereof, to be known as sections 135.348, 160.540, 160.542, 160.600, 160.603, 160.606, 160.609, 160.611, 162.081, 162.571, 162.581, 162.601, 162.621, 162.626, 162.935, 162.1060, 162.1100, 163.011, 163.031, 163.161, 165.122, 166.275, 168.221 and 168.420, to read as follows:

135.348. 1. As used in this section, the following terms mean:

(1) "Approved program", a sponsorship and mentoring program established pursuant to this section and approved by the department of elementary and secondary education;

(2) "Eligible student", a resident pupil of a school district who is determined by the local school board to be eligible to participate in a sponsorship and mentoring

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

program pursuant to this section and who participates in such program for no less than eight calendar months in the tax year for which a return is filed claiming a credit authorized in this section;

(3) "Net expenditures", only those amounts paid or incurred for the participation of an eligible student participating in an approved sponsorship and mentoring program less any amounts received by the qualified taxpayer from any source for the provision of a sponsorship and mentoring program for an eligible student;

(4) "Qualified taxpayer", an employer who makes expenditures pursuant to this section.

2. For taxable years commencing on or after January 1, 1998, a qualified taxpayer shall be allowed a credit against the tax imposed by chapter 143, RSMo, exclusive of the provisions relating to the withholding of tax as provided in sections 143.191 to 143.265, RSMo, to the extent of the lesser of two thousand dollars times the number of eligible students for which the qualified taxpayer is allowed a credit pursuant to this section or the net expenditures made directly or through a fund during a taxable year by the qualified taxpayer for the participation of an eligible student in an approved sponsorship and mentoring program established pursuant to this section. No credit shall be allowed for any amounts for which any other credit is claimed or allowed under any other provision of state law for the same net expenditures.

3. The tax credit allowed by this section shall be claimed by the qualified taxpayer at the time such taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143, RSMo, after all other credits provided by law have been applied. Where the amount of the credit exceeds the tax liability, the difference between the credit and the tax liability shall not be refundable but may be carried forward to any of the taxpayer's four subsequent taxable years.

4. The department of elementary and secondary education shall establish, by rule, guidelines and criteria for approval of sponsorship and mentoring programs established by school districts and for determining the eligibility of students for participation in sponsorship and mentoring programs established pursuant to this section. Such determinations for eligibility of students shall be based upon a definition of an at-risk student as established by the department by rule.

5. A local school board may establish a sponsorship and mentoring program and apply to the department of elementary and secondary education for approval of such program. A tax credit may only be received pursuant to this section for expenditures for sponsorship and mentoring programs approved by the department. The school board of each district which has an approved program shall annually certify to the department of elementary and secondary education the number of eligible students participating in the program. The principal of any school in a district which has an

approved program may recommend, to the local school board, those students who do not meet the definition of "at-risk" students established pursuant to this section, and the school board may submit the names of such students and the circumstances which justify the student's participation in an approved program to the department of elementary and secondary education for approval of such student's participation. If approved by the department, such students shall be considered eligible students for participation in an approved program.

6. The department of elementary and secondary education shall provide written notification to the department of revenue of each eligible student participating in an approved program pursuant to this section, the student's school district, the name of the qualified taxpayer approved to receive a tax credit on the basis of such eligible student's participation in an approved program pursuant to this section and the amount of such credit as determined in subsection 2 of this section. This section is subject to appropriations.

160.540. 1. In any school district whose graduation rate, as defined in section 163.011, RSMo, is below sixty-five percent, the district school board shall determine which schools in the district meet the criteria set forth pursuant to section 160.538 as being academically deficient, based on the results of the assessment system developed pursuant to section 160.518, whether or not the state board of education has made a finding that the schools are academically deficient. With respect to any such school, notwithstanding any provision of state law or regulation, district rule or regulation, or contract, the school district board shall have the authority to suspend or terminate contracts of certificated staff, the principal and any administrators having responsibility for the school and to reconstitute the school with new teachers and administrative staff. The authority granted herein shall not preclude the district board from offering contracts to individual teachers or administrators as the board may deem appropriate. Any termination of a contract of an individual permanent teacher pursuant to this section shall be subject to the procedures of sections 168.114 to 168.120, RSMo, or section 168.221, RSMo, whichever is applicable to such contract.

2. In any school district subject to the provisions of subsection 1 of this section, the district shall develop a program of incentives and rewards for teachers who contribute to a successful effort to prevent schools from becoming academically deficient as defined in this section or to remove schools that have been so identified from that category. The district's plan shall be subject to approval by the commissioner of education and may include, but shall not be limited to: bonuses, opportunities for staff development and the granting of status as master teachers.

160.542. 1. There is hereby established within the department of elementary and secondary education the "Research-based Reform Program" to be administered by the

commissioner of education. The program shall consist of grant awards made to public schools from funds appropriated by the general assembly, demonstrating a commitment to undertake whole-school reforms that research has shown to be effective in improving student performance and sustaining measurable improvement after implementation. Grants shall require a matching contribution from the school district in which the school is located and shall run for up to three years. Funding for the second year shall be contingent upon each school's performance in setting up the chosen program, and funding for the third year shall be contingent upon second-year performance.

2. The state board of education shall promulgate rules for the initial approval, second- and third-year funding of grants made under the program. The rules shall contain a method for determining the amount of the matching funds required from the district in which the grantee school is located. Such rules shall include a list of research-based reform programs that the state board of education determines can be reliably replicated under urban, suburban, and rural conditions. The list shall be coordinated with the federal Comprehensive School Reform Initiative to enable Missouri schools to be eligible for the moneys made available by the federal program. The department shall develop a method to evaluate the effectiveness of each school's implementation of the chosen research-based program for purposes of granting or denying second-year funding.

3. The grant program shall provide sufficient technical assistance to ensure that small schools that lack personnel with expertise in applying for grants are not prevented from applying. Added priority shall be given to schools which have been designated as academically deficient pursuant to section 160.538. Added priority shall be given to groups of schools that form consortia for the purpose of applying for the grant funds as a means of encouraging schools in isolated areas to participate. However, nothing in this subsection shall be construed as prohibiting consortia in more densely populated areas of the state from seeking such priority on grants under this program.

4. The commissioner of education shall develop a procedure for evaluating the effectiveness of the program described in this section. Such evaluation shall be conducted annually with the results of the evaluation provided to the governor, speaker of the house, and president pro tempore of the senate.

5. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is promulgated under the authority delegated in this section shall become effective only if it has been promulgated pursuant to the provisions of chapter 536, RSMo. All rulemaking authority delegated prior to the effective date of this section is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal

or affect the validity of any rule filed or adopted prior to the effective date of this section if it fully complied with the provisions of chapter 536, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this section shall be invalid and void.

160.600. 1. A charter school is an independent, publicly supported school.

2. (1) Charter schools may be sponsored in a metropolitan school district or an urban school district under a desegregation order containing most or all of a city with a population greater than three hundred fifty thousand inhabitants by the school board of the district or the state board of education, a four-year college or university located in Missouri with an approved teacher education program that meets regional or national standards of accreditation, a community college, or by the school board of the district in a district participating in an urban voluntary school transfer program on the effective date of this act established pursuant to section 162.1060, RSMo.

(2) If an application is denied by a school board, the application may be submitted to the state board of education, along with the school board's written reasons for its denial, for review by the state board. If the state board finds that the proposed charter school would provide substantial educational benefit to the students of the district, the state board may grant a charter and act as the sponsor of the charter school.

3. No sponsor shall receive from an applicant for a charter school any fee of any type for the consideration of a charter, nor may a sponsor condition its consideration of a charter on the promise of future payment of any kind.

4. The charter school shall be a Missouri nonprofit corporation incorporated under chapter 355, RSMo. The charter provided for herein shall constitute a contract between the sponsor and the charter school.

5. A sponsor of a charter school, its agents and employees are not liable for any acts or omissions of a charter school that it sponsors, including acts or omissions relating to the charter submitted by the charter school, the operation of the charter school and the performance of the charter school.

160.603. 1. A person, group or organization seeking to establish a charter school shall submit the proposed charter, as provided in subsection 3 of this section, to a sponsor. The charter shall include a mission statement for the charter school, a description of the charter school's organizational structure and bylaws of the governing body, which will be responsible for the policy and operational decisions of the charter school, a financial plan for the first three years of operation of the charter school

including provisions for annual audits, a description of the charter school's policy for securing personnel services, its personnel policies, and personnel qualifications, a description of the grades or ages of students being served, the school's calendar of operation, which shall include at least the equivalent of a full school term as defined in section 160.011, and an outline of criteria specified in this section designed to measure the effectiveness of the school. The charter shall also state:

(1) The educational goals and objectives to be achieved by the charter school;
(2) A description of the charter school's educational program and curriculum;
(3) The term of the charter, which shall be not less than five years, nor greater than ten years and shall be renewable;

(4) A description of the charter school's pupil performance standards, which must meet the requirements of subdivision (6) of subsection 5 of this section. The charter school program must be designed to enable each pupil to achieve such standards; and

(5) A description of the governance and operation of the charter school, including the nature and extent of parental, professional educator, and community involvement in the governance and operation of the charter school.

2. Proposed charters shall be subject to the following requirements:

(1) A charter may be approved when the sponsor determines that the requirements of this section are met and determines that the applicant is sufficiently qualified to operate a charter school. The sponsor's decision shall be made within sixty days of the filing of the proposed charter; and

(2) If the charter is denied, the proposed sponsor shall notify the applicant in writing as to the reasons for its denial.

3. If a charter is approved by a sponsor, it shall be submitted to the state board of education which may, within forty-five days, disapprove the granting of the charter. The state board of education may disapprove a charter only on grounds that the application fails to meet the requirements of sections 160.600 to 160.611.

4. Any disapproval of a charter pursuant to subsection 3 of this section shall be subject to judicial review pursuant to chapter 536, RSMo.

5. A charter school shall, as provided in its charter:

(1) Be nonsectarian in its programs, admission policies, employment practices, and all other operations;

(2) Comply with laws and regulations of the state relating to health, safety, and minimum educational standards;

(3) Except as provided in sections 160.600 to 160.611, be exempt from all laws and rules relating to schools, governing boards and school districts;

(4) Be financially accountable, provide for an annual audit by a certified public

accountant, and provide liability insurance to indemnify the school, its board, staff and teachers against tort claims. For the purposes of securing such insurance, a charter school shall be eligible for the Missouri public entity risk management fund pursuant to section 537.700, RSMo;

(5) Provide a comprehensive program of instruction for at least one grade or age group up to grade twelve including kindergarten and early childhood education, as specified in its charter;

(6) Design a method to measure pupil progress toward the pupil academic standards adopted by the state board of education pursuant to section 160.514, collect baseline data during at least the first three years for determining how the charter school is performing and to the extent applicable, participate in the essential skills tests and the nationally standardized norm-referenced achievement tests, as designated by the state board pursuant to section 160.518, complete and distribute an annual report card as prescribed in section 160.522 and report to its sponsor, the local school district, and the state board of education as to its teaching methods and any educational innovations and the results thereof;

(7) Ensure that the needs of special education children are met in compliance with all applicable federal and state laws and regulations.

6. The charter of a charter school may be amended at the request of the governing body of the charter school and on the approval of the sponsor. The sponsor and the governing board and staff of the charter school shall jointly review the school's performance, management, and operations at least once every two years.

7. (1) A sponsor may revoke a charter at any time if the charter school commits a serious breach of one or more provisions of its charter or on any of the following grounds: failure to meet academic performance standards as set forth in its charter, failure to meet generally accepted standards of fiscal management, or violation of law.

(2) The sponsor may place the charter school on probationary status to allow the implementation of a remedial plan, after which, if such plan is unsuccessful, the charter may be revoked.

(3) At least sixty days before acting to revoke a charter, the sponsor shall notify the board of directors of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action. The school's board of directors may request in writing a hearing before the sponsor within two weeks of receiving the notice.

(4) The sponsor of a charter school shall establish procedures to conduct administrative hearings upon determination by the sponsor that grounds exist to revoke a charter. Final decisions of a sponsor from hearings conducted pursuant to this subsection are subject to judicial review pursuant to chapter 536, RSMo.

(5) A termination shall be effective only at the conclusion of the school year, unless the sponsor determines that continued operation of the school presents a clear and immediate threat to health and safety of the children.

8. A school district may enter into a lease with a charter school for physical facilities. A charter school may not be located on the property of a school district unless the district governing board agrees.

9. A governing board or a school district employee who has control over personnel actions shall not take unlawful reprisal against another employee at the school district because the employee is directly or indirectly involved in an application to establish a charter school. A governing board or a school district employee shall not take unlawful reprisal against an educational program of the school or the school district because an application to establish a charter school proposes the conversion of all or a portion of the educational program to a charter school. As used in this subsection, "unlawful reprisal" means an action that is taken by a governing board or a school district employee as a direct result of a lawful application to establish a charter school and that is adverse to another employee or an educational program and:

(1) With respect to a school district employee, results in one or more of the following:

(a) Disciplinary or corrective action;

(b) Transfer or reassignment;

(c) Suspension, demotion or dismissal;

(d) An unfavorable performance evaluation;

(e) A reduction in pay, benefits or awards;

(f) Elimination of the employee's position without a reduction in force by reason of lack of money or work;

(g) Other significant changes in duties or responsibilities that are inconsistent with the employee's salary or employment classification;

(2) With respect to an educational program, results in one or more of the following:

(a) Suspension or termination of the program;

(b) Transfer or reassignment of the program to a less favorable department;

(c) Relocation of the program to a less favorable site within the school or school district;

(d) Significant reduction or termination of funding for the program.

160.606. 1. A charter school shall enroll all pupils resident in this state who submit a timely application, unless the number of applications exceeds the capacity of a program, class, grade level or building. If capacity is insufficient to enroll all pupils who submit a timely application, the charter school shall have an admissions process

that assures all applicants of an equal chance of gaining admission except that:

(1) A charter school may establish a geographical area around the school whose residents will receive a preference for enrolling in the school, provided that such preferences do not result in the establishment of racially or socio-economically isolated schools and provided such preferences conform to policies and guidelines established by the state board of education; and

(2) A charter school may also give a preference for admission of children whose siblings attend the school or whose parents are employed at the school.

2. A charter school shall not limit admission or otherwise discriminate on the basis of race, ethnicity, national origin, disability, gender, income level, proficiency in the English language or athletic ability, but may limit admission to pupils within a given age group or grade level.

3. A student in a charter school may opt to participate in athletic or other extracurricular activities of the school the student would otherwise attend in the student's district of residence unless the charter school offers the same activity. The charter school shall pay the reasonable costs of participating in the activity to the student's district.

160.609. 1. For the purposes of calculation and distribution of state school aid under section 163.031, RSMo, and except in a charter school located in a district which is participating in a voluntary transfer program where such rate per pupil shall be subject to negotiation between the district and the charter school, pupils enrolled in a charter school shall be included in the pupil enrollment of the school district within which each pupil resides, except that payment of state aid for such pupil shall be made by the department of elementary and secondary education to the charter school attended as provided in subsection 2 of this section and shall not be made to the pupil's district of residence. Each charter school shall report the names, addresses, and eligibility for free or reduced price lunch or other categorical aid, of pupils resident in a school district who are enrolled in the charter school to the school district in which those pupils reside and to the state department of elementary and secondary education. Each charter school shall promptly notify the state department of elementary and secondary education and the pupil's school district when a student discontinues enrollment at a charter school.

2. For each pupil attending a charter school, the department of elementary and secondary education shall pay to the charter school an annual amount equal to the per pupil state aid pursuant to section 163.031, RSMo, which would otherwise be received by the pupil's district of residence plus all other state aid attributable to such pupil, including summer school, if applicable, and the pupil's school district of residence shall pay to the charter school the product of the equalized, adjusted operating levy for

school purposes for the pupil's district of residence for the current year times the guaranteed tax base per eligible pupil, as defined in section 163.011, RSMo, less the amount paid by the department to the charter school pursuant to this subsection. The district of residence of a pupil attending a charter school shall also pay to the charter school any other federal or state aid that the district receives on account of such child. The amounts provided pursuant to this subsection shall be prorated for partial year enrollment for a pupil.

3. If a school district fails to make timely payments of any amount for which it is the disbursal agent, the state department of elementary and secondary education shall authorize payment to the charter school of the amount due pursuant to subsection 2 and shall deduct the same amount from the next state school aid apportionment to the owing school district.

4. The charter school and a local school board may agree by contract for services to be provided by the school district to the charter school. The charter school may contract with any other entity for services. Such services may include but are not limited to food service, custodial service, maintenance, management assistance, curriculum assistance, media services, extracurricular activities, and libraries and shall be subject to negotiation between the charter school and the local school board or other entity. Documented direct and indirect costs of such services shall be paid for by the charter school.

5. A charter school may enter into contracts with community partnerships and state agencies acting in collaboration with such partnerships that provide services to children and their families linked to the school.

6. A charter school shall be eligible for transportation state aid pursuant to section 163.161, RSMo, and shall be free to contract with the local district, or any other entity, for the provision of transportation to the students of the charter school.

7. (1) The proportionate share of state and federal resources generated by students with disabilities or staff serving them shall be paid in full to charter schools enrolling those students by their school district where such enrollment is through a contract for services described in this section. The proportionate share of money generated under other federal or state categorical aid programs shall be directed to charter schools serving such students eligible for that aid.

(2) A charter school shall provide the special services provided pursuant to section 162.705, RSMo, and may provide such services pursuant to a contract with a school district or other provider of such services.

(3) Notwithstanding any provision to the contrary in section 162.857, RSMo, each school district located within a special school district may enroll a student with a disability residing in the school district in a charter school. Such enrollment shall be

by contract pursuant to section 162.705, RSMo, and shall only occur by joint agreement of the parent, charter school and school district of the child's residence. Agreement from the special school district is not required. Such enrollment shall only occur if the school district has filed, and obtained approval of, a compliance plan specifically addressing students with disabilities placed with the school district in a charter school, with the department of elementary and secondary education. Waiver of compliance requirements may be requested from the department of elementary and secondary education. The department of elementary and secondary education may seek waiver approval from the United States Department of Education.

8. A charter school may not charge tuition, nor may it impose fees that a school district is prohibited from imposing.

9. A charter school is authorized to incur debt in anticipation of receipt of funds. A charter school may also borrow to finance facilities and other capital items and such debt shall not be an obligation of the school district. A school district may incur bonded indebtedness or take other measures to provide for physical facilities and other capital items for charter schools that it sponsors or contracts with.

10. Charter schools shall not have the power to acquire property by eminent domain.

11. The governing body of a charter school is authorized to accept grants, gifts, or donations of any kind and to expend or use such grants, gifts, or donations in accordance with the conditions prescribed by the donor. A grant, gift, or donation may not be accepted by the governing body if it is subject to any condition contrary to law applicable to the school or contrary to the terms of the charter.

160.611. 1. If a charter school offers to retain the services of an employee of a school district, and the employee accepts a position at the charter school, the contract between the charter school and the school district may provide that an employee at the employee's option may remain an employee of the district and the charter school shall pay to the district the district's full costs of salary and benefits provided to the employee. A teacher who accepts a position at a charter school and opts to remain an employee of the district retains such teacher's permanent teacher status and seniority rights in the district.

2. A charter school may employ noncertificated instructional personnel; provided that no more than twenty percent of the full-time equivalent instructional staff positions at the school are filled by noncertificated personnel. All noncertificated instructional personnel shall be supervised by certified instructional personnel. The charter school shall ensure that all instructional employees of the charter school have experience, training and skills appropriate to the instructional duties of the employee, and the charter school shall ensure that a criminal background check and child abuse

registry check are conducted for each employee of the charter school prior to the hiring of the employee. Appropriate experience, training and skills of noncertificated instructional personnel shall be determined considering:

- (1) Teaching certificates issued by another state or states;**
- (2) Certification by the National Standards Board;**
- (3) College degrees in the appropriate field;**
- (4) Evidence of technical training and competence when such is appropriate; and**
- (5) Level of supervision and coordination with certificated instructional staff.**

3. Full-time personnel employed by the charter school may, at the charter school's option, participate in the retirement system of the school district in which the charter school is located, subject to the same terms, conditions, requirements and other provisions applicable to personnel employed by the school district.

162.081. 1. Whenever any school district in this state fails or refuses in any school year to provide for the minimum school term required by section 163.021, RSMo, or is classified unaccredited for two successive school years by the state board of education, its corporate organization shall lapse. The corporate organization of any school district that is classified as unaccredited shall lapse on June thirtieth following the second such unaccredited classification. The territory theretofore embraced within any district that lapses pursuant to this section or any portion thereof, **may [shall]** be attached to any district for school purposes by the state board of education; but no school district, except a district classified as unaccredited pursuant to section 163.023, RSMo, and section 160.538, RSMo, shall lapse where provision is lawfully made for the attendance of the pupils of the district at another school district that is classified as provisionally accredited or accredited by the state board of education.

2. **(1)** When any school district in this state shall lapse, prior to a determination by the state board of education to attach the territory of the district to any district for school purposes, the **state board of education** [department of elementary and secondary education shall] **may appoint a special administrative board to** conduct a public hearing at a location in the school district that has lapsed **for the purpose of recommending the reassignment of the territory within the district and to supervise the financial operations, maintain and preserve the financial assets and, if the special administrative board so determines, to continue operation of the educational programs within the former district. The special administrative board shall consist of two persons who are residents of the school district, who shall serve without compensation, and one person who shall serve as a compensated administrator paid in whole or in part with funds from the district.** The purpose of the public hearing shall be to receive information from the voters of the school district that has lapsed pertaining to the school district or districts that should be considered to receive territory of said lapsed district **or what provisions might otherwise be made in the best interest of the education of the children of the district.**

(2) The special administrative board may retain the authority granted to a board of education for the operation of the former school district under the laws of the state of Missouri in effect at the time of the notice of lapse. The authority of the special administrative board shall expire at the end of the second full school year following its appointment, unless extended by the state board of education for a period of two years.

(3) If the district has lapsed because it has been classified unaccredited for two successive school years, the special administrative board may take control of those schools within the district that, in its sole discretion, such board determines are causing or contributing to cause the failure to achieve accreditation and delegate control of the remaining schools to a local board of education established pursuant to subdivision (4) of this subsection.

(4) The special administrative board shall, at the direction of the state board of education, make such study and recommendations as the state board may direct as to the reassignment of territory within the lapsed district. The state board of education may issue a decision establishing a new school district or districts, including governance structures which may provide for appointment of school boards of newly created districts or lapsed districts whose schools have been operated by the special administrative board, which shall take effect sixty days after the adjournment of the regular session of the general assembly next following the state board's decision unless a statute or concurrent resolution is enacted to nullify the state board's decision prior to such effective date. The state board's decision shall make provisions for retirement benefits for employees of successor school districts.

(5) The special administrative board shall provide an accounting of all funds, assets and liabilities of the former district and transfer such funds, assets and liabilities of the former district as determined by the state board of education.

(6) Upon recommendation of the special administrative board, the state board of education shall be authorized to assign the funds, assets and liabilities of the former district to another district or districts within the state. Upon assignment, all authority of the special administrative board shall transfer to the assigned districts.

(7) Neither the special administrative board nor any district or other entity assigned territory, assets or funds from a lapsed district shall be considered a successor entity for the purpose of employment contracts or unemployment compensation payment pursuant to section 288.110, RSMo.

3. If additional teachers are needed by a district as a result of increased enrollment due to the annexation of territory of a lapsed or dissolved district, such district shall grant an employment interview to any permanent teacher of the lapsed or dissolved district upon the request of such permanent teacher.

162.571. Every city in this state, not within a county, together with the territory now

within its limits, or which may in the future be included by any change thereof, constitutes a single metropolitan school district, and is a body corporate. **Except as otherwise provided in section 162.621**, the supervision and government of public schools and public school property therein is vested in a board [of twelve members], to be known as "The Board of Education of" (in which title the name of the city shall be inserted). The board of education, by and in that name, may sue and be sued, purchase, receive, hold and sell property, and, **except as otherwise provided in section 162.621**, do all things necessary to accomplish the purpose for which the school district is organized. All titles to property granted to the city by the United States or this state for school purposes, and the title to all school lands and other property of every kind, is vested in the board of education established by this law.

162.581. 1. The members of the board of education shall be elected from the city at large, **to represent subdistricts as provided in section 162.601**, on a general ticket, and shall be at least twenty-four years of age, citizens and residents of the city, and shall have been residents and citizens for at least three years immediately preceding their election. They shall not hold any office, except that of notary public, in the city or state, nor be interested in any contract with or claim against the board, either directly or indirectly. If at any time after the election of any member of the board he becomes interested in any contract with or claim against the board, either directly or indirectly, or as agent or employee of any individual, firm or corporation, which is so interested, he shall thereupon be disqualified to continue as a member of the board, and shall continue to be so disqualified during the remainder of the term for which he was elected.

2. Every member of the board, before assuming the duties of his office, shall take oath before a circuit or associate circuit judge of the city, which oath shall be kept of record in the office of the board, that he possesses all the qualifications required by this section, and that he will not, while serving as a member of the board, become interested in any contract with or claim against the board, directly or indirectly, or as agent or employee of any individual, firm or corporation which is so interested, and that he will not be influenced, during his term of office, by any consideration except that of merit and fitness in the appointment of officers and the engagement of employees.

3. No compensation shall be paid to the members of the board, but they are exempt from service as election officers during the term of office.

162.601. 1. **Elected members of the board in office on the effective date of this section shall hold office for the length of term for which they were elected.**

2. **No board members shall be elected at the first municipal election in an odd-numbered year next following the effective date of this section.**

3. **Three board members shall be elected at the second municipal election in an odd-numbered year next following the effective date of this section to serve four year terms.**

4. Four board members shall be elected at the third municipal election in an odd-numbered year next following the effective date of this section, and two of such members shall be elected to four year terms and two of such members shall be elected to three year terms.

5. Beginning with the fourth municipal election in an odd-numbered year next following the effective date of this section, and at each succeeding municipal election in a year during which board member terms expire, there shall be elected [at each municipal election in odd-numbered years four] members of the board of education, who shall assume the duties of their office at the first regular meeting of the board of education after their election, and who shall hold office for [six] **four** years, and until their successors are elected and qualified.

6. Members of the board of directors shall be elected to represent seven subdistricts. The subdistricts shall be established by the state board of education to be compact, contiguous and as nearly equal in population as practicable. The subdistricts shall be revised by the state board of education after each decennial census and at any other time the state board determines that the district's demographics have changed sufficiently to warrant redistricting.

7. A member shall reside in the subdistrict which the member is elected to represent; provided, however that all members shall be elected at-large.

8. No one may run for school board who is employed by the school district or who is related to an employee of the school district within the second degree of affinity or consanguinity.

162.621. **1.** The board of education shall have general and supervising control, government and management of the public schools and public school property of the district in the city and shall exercise generally all powers in the administration of the public school system therein. The board of education has all the powers of other school districts under the laws of this state except as herein provided and shall perform all duties required by general laws of school districts so far as they are applicable to the public school affairs of the city and are consistent with this law. It shall appoint the officers, agents and employees it deems necessary and proper and fix their compensation. The board of education may:

(1) Make, amend and repeal rules and bylaws for its meetings and proceedings, for the government, regulation and management of the public schools and school property in the city, for the transaction of its business, and the examination, qualification and employment of teachers, which rules and bylaws are binding on the board of education and all parties dealing with it until formally repealed;

(2) Fix the time of its meetings;

(3) Provide for special and standing committees;

(4) Levy taxes authorized by law for school purposes;

- (5) Invest the funds of the district;
- (6) Purchase and hold all property, real and personal, deemed by it necessary for the purposes of public education;
- (7) Build and construct improvements for such purposes, and sell the same;
- (8) Provide for the gratuitous transportation of pupils to and from schools in cases where by reason of special circumstances pupils are required to attend schools at unusual distances from their residences.

2. Except as otherwise provided in this subsection, the powers granted in subsection 1 of this section shall be vested in the special administrative board of the transitional school district containing the city not within a county for such time as the transitional school district is in existence. All such powers shall immediately revert to the board of directors of the school district for any period of time for which no transitional school district containing the city not within a county is in existence. The board of directors of the school district shall, at all times, retain auditing and public reporting powers.

162.626. There is hereby established in the metropolitan school district a pilot program of multi-year teacher-student groupings. The program shall be implemented in no less than twenty schools in the district and shall be implemented for no less than five consecutive years in each of such schools and in at least six classrooms in each of such schools. The program shall seek to improve student learning by providing a long-term relationship between the student and a particular teacher. The board shall develop a plan for grade level groups throughout which participating classes shall maintain the same group of students with the same teacher for multi-year periods. The board shall establish a policy and a procedure to review and act upon requests by a student or the parent of a student that the student be transferred to a different class with a different teacher. All policies and plans established by the board pursuant to this subsection shall be subject to review and approval of the state board of education.

162.935. 1. Each special district formed under provisions of sections 162.670 to 162.995 shall receive an amount for each eligible pupil equal to the sum of the amounts received by all districts comprising the special district for the current school year under provisions of section 163.031, RSMo, divided by the total number of eligible pupils in the schools of such districts. A student enrolled in classes or programs in both the special district and a component district or a pupil enrolled in a local district who needs itinerant or temporary services provided by the special district shall continue his enrollment in the local district for purposes of apportionment of state aid on average daily attendance. The special district may include the pupil in classes approved for special categorical aid. The district providing transportation may claim state transportation aid.

2. [The] **Any special school district which if in a county of the first classification**

which has a population greater than nine hundred thousand is entitled to apportionment of state aid in the same manner as six-director school districts even though the tax rate levied by the special school district is less than that required by section 163.021, RSMo.

3. For the purposes of determining state aid pursuant to section 163.031, RSMo, the operating levy for school purposes of a school district within any special school district which is not in a county of the first classification which has a population greater than nine hundred thousand shall include the operating levy for school purposes of the special school district in which such school district is located, and the district's number of eligible pupils shall reflect the average daily attendance of all pupils resident in the district and educated by the district or by the special school district, or both. The department shall pay the funds so calculated to the school district and the special school district, respectively, in the same proportion as the school district's operating levy or special school district's operating levy, respectively, bears to the total of the operating levies of the school district and the special school district, except this distribution shall not decrease any district's allocation of formula money per eligible pupil below that which the district received for the 1992-93 school year. Such state aid shall constitute foundation formula state aid provided to such special school district pursuant section 163.031, RSMo.

162.1060. 1. There is hereby established a metropolitan schools achieving value in transfer corporation, which shall be a public body corporate, for the purpose of implementing an urban voluntary school transfer program within a program area which shall include a city not within a county and any school district located in whole or in part in a county with a population in excess of nine hundred thousand persons which district chooses to participate. The corporation shall be governed by a board of directors consisting of one representative from each school district that participates in the urban voluntary school transfer program selected by the governing body of such district. The vote of each member of the board shall be weighted proportionately to the percentage of the total of transfer students who attend school in the member's district.

2. (1) The corporation's board of directors shall design and operate an urban voluntary school transfer program for all participating districts. The board shall make provision for transportation of all the students and for payment to school districts for the education of such students. Acceptance of students into the program shall be determined by policies enacted by the corporation's board of directors, provided that first preference for acceptance of students shall be granted to students currently attending a district other than the district of residence pursuant to a voluntary transfer program established pursuant to federal desegregation order, decree or agreement.

(2) Each district, other than a metropolitan school district, participating in an

urban voluntary school transfer program shall place before voters in the district a proposal to continue participation in the urban voluntary school transfer program at the April election during the fourth year of operation of the program. Unless a majority of district voters voting thereon vote to continue participation in the program, each district, other than a metropolitan school district, shall file a plan, no later than the end of the fifth year of the operation of the program, for phase-out of the district's participation in the program, and such plan shall be provided to the state board of education, the transitional school district and the board of directors of the corporation. Each such plan shall provide for elimination of transfers to the district pursuant to this section no later than the following schedule:

- (a) The seventh year of the program for grades one through three;**
- (b) The eighth year of the program for grades four through six;**
- (c) The ninth year of the program for grades seven through nine; and**
- (d) The tenth year of the program for grades ten through twelve.**

3. (1) Other provisions of law to the contrary notwithstanding, each student participating in the program shall be considered an eligible pupil of the district of residence for the purpose of distributing state aid, except that students attending school in a metropolitan school district in a program established pursuant to this section shall be considered eligible pupils of the district attended, and provided that the department shall determine the increased state aid eligibility created by including pupils attending school in a program established pursuant to this section as eligible pupils of the district of residence and shall distribute the full amount of such state aid to the metropolitan schools achieving value in transfer corporation and shall not distribute state aid on the basis of such pupils to the district of residence.

(2) For each student participating in the program, the corporation shall receive the total of all state and federal aid that would otherwise be paid to the student's district of residence, including, but not limited to, state aid provided pursuant to sections 148.360, 149.015, 163.031 and 163.087, RSMo. The corporation shall pay a school district that receives a non-resident student from the funds of the corporation in accordance with the provisions of this section and agreements between the corporation and the participating school districts.

4. (1) In each of the first two fiscal years, the corporation shall also receive a payment of twenty-five million dollars.

(2) For the third year of operation and thereafter, the corporation shall receive transportation state aid, for each student that participates in the program, which shall be in the same amount and on the same basis as would be received by the student's district of residence if the student were attending a school in the attendance zone in his district of residence, provided that such reimbursement shall not exceed one

hundred fifty-five percent of the statewide average per pupil cost for transportation for the 1997-98 school year.

(3) Funds received by the corporation pursuant to this subsection may be used for any purpose and need not be expended in the year received.

5. The corporation created herein shall have all powers of a public body corporate, except that it shall have no paid employees. The corporation, by contract with any public entity, school district, or private entity, may retain the services of a fiscal agent, make provisions for accounting, transportation management, or other assistance that the corporation may need to carry out its functions except that no contractor or employee of any contractor shall have ever been a contractor or employee of the Voluntary Interdistrict Coordinating Council or any other program established by the Federal District Court; except that this restriction shall not apply to transportation contractors or their employees. When a school district located in whole or in part in a county with a population in excess of nine hundred thousand persons ceases to participate in the urban school choice program, its representative shall be removed from the corporation's board of directors. When none of the students who reside in a school district in a city not within a county opt to participate in the program, the school district's representative shall be removed from the board of directors. When all of the school districts have ended their participation in the program, in accordance with this subdivision, the corporation's operations shall cease, and any funds of the corporation remaining shall be paid to the state of Missouri to the credit of the general revenue fund, except such amounts as the commissioner of education shall determine should be paid to particular school districts under the regulations applicable to federal programs or returned to the federal government.

6. All funds received by the corporation shall become funds of the corporation and paid for the purposes set forth in this section and in accordance with agreements entered into between the corporation and participating school districts and other entities, provided that funds received for particular purposes, under federal or state categorical programs benefitting individual students, shall be paid to the district or entity providing services to the students entitled to such services. The proportionate share of federal and state resources generated by students with disabilities, or the staff serving them, shall be paid to the district where the child is attending school, unless the district of residence is required by law to provide such services to the individual students. Funds held by the corporation at the close of a fiscal year may be carried over and utilized by the corporation in subsequent fiscal years for the purposes set forth in this section.

7. The board of directors may establish regional attendance zones which map the regions of a district in a city not within a county to corresponding recipient

districts within the remainder of the program area. In establishing the regional attendance zones, the governing council may solicit comments and suggestions from residents of the program area and may adopt one or more regional attendance zones previously established in the program area pursuant to a federal court desegregation order, decree or agreement.

8. No later than four years following the date an urban public school choice program is begun pursuant to this section in a program area, the senate and the house of representatives shall establish a "Joint Committee on Urban Voluntary School Transfer Programs", composed of five members of the senate, appointed by the president pro tem of the senate, and five members of the house of representatives, appointed by the speaker of the house. Not more than three members appointed by the president pro tem and not more than three members appointed by the speaker of the house shall be from the same political party.

9. The joint committee may meet as necessary and hold hearings and conduct investigations as it deems advisable. No later than five years following the date an urban voluntary school transfer program is begun pursuant to this section in a program area, the committee shall review and monitor the status of any urban voluntary school transfer program established pursuant to this section and make any recommendations the committee deems necessary to the general assembly regarding such program or programs, which may include proposed changes to the program and recommendations regarding the continuation of the program. The members shall receive no additional compensation, other than reimbursement for their actual and necessary expenses incurred in the performance of their duties. The staff of the committee on legislative research, house research, and senate research shall provide necessary clerical, research, fiscal and legal services to the committee, as the committee may request.

10. No later than nine years following the date an urban public school choice program is begun pursuant to this section in a program area, the "Joint Committee on Urban Voluntary School Transfer Programs" shall be reestablished in the form specified in subsection 8 of this section and pursuant to the same provisions for reimbursement of expenses and staff support as specified in subsection 9 of this section. No later than ten years following the date an urban voluntary school transfer program is begun pursuant to this section in a program area, the committee shall review and monitor the status of any urban voluntary school transfer program established pursuant to this section and make any recommendations the committee deems necessary to the general assembly regarding such program or programs.

162.1100. 1. There is hereby established within each city not within a county a school district to be known as the "Transitional School District of (name of city)", which

shall be a body corporate and politic and a subdivision of the state. The transitional school district shall be coterminous with the boundaries of the city in which the district is located. Except as otherwise provided in this section, the transitional school district shall be subject to all laws pertaining to "six-director districts", as defined in section 160.011, RSMo. The transitional school district shall have the responsibility for those educational programs and policies provided for resident pupils as designated by the governing body of the school district of such city which programs and policies provide for a transition of the educational system and schools of the city from control and jurisdiction of a federal court school desegregation order, decree or agreement to independent local control of the schools of the city by the governing body of the school district in such city.

2. The governing board of the transitional school district shall be a special administrative board, selected pursuant to section 162.081, except that each member of the special administrative board of a transitional school district shall be appointed by the governor with the advice and consent of the senate from a list of nominees provided by the state board of education. The special administrative board shall consist of two persons who are residents of the school district, who shall serve without compensation, and one person who shall serve as a compensated administrator paid in whole or in part with funds from the district. The administrator shall be a person of recognized administrative ability and management experience and shall have all other powers and duties of any other general superintendent of schools, including the appointment of staff.

3. Except as otherwise provided in section 162.621, any powers granted to any existing school boards in districts described in subsection 2 of this section on or before the effective date of this section shall be vested with the special administrative board of the transitional school district containing such school district so long as the transitional school district exists.

4. The special administrative board shall select four members of the board of trustees of the retirement system of the district who shall replace the school board members who serve on the board of the retirement system, subject to approval by the state board of education.

5. The special administrative board's powers and duties shall include:

(1) Creating an academic accountability plan, taking corrective action in underperforming schools, and seeking relief from state-mandated programs;

(2) Authority over charter schools and exploration of alternative forms of governance for the district;

(3) Authority to contract with nonprofit corporations to provide for operation of schools;

(4) Oversight of facility planning, construction, improvement, repair, maintenance and rehabilitation;

(5) Authority to establish school site councils to facilitate site-based school management and to improve the responsiveness of the schools to the needs of the local geographic attendance region of the school.

6. A final judgment as to the state of Missouri and its officials in a school desegregation case which subjects a district in which a transitional district is located in this state to a federal court's jurisdiction may authorize the governing body of a transitional school district established under this section to establish the transitional district's operating levy for school purposes, as defined pursuant to section 163.011, RSMo, at a level not to exceed eighty-five cents per one hundred dollars assessed valuation in the district. The transitional school district any other statute to the contrary notwithstanding, shall not be subject to any certificate of tax abatement issued pursuant to sections 99.700 to 99.715. Any certificate of abatement issued after the effective date of this act shall not be applicable to the transitional school district. The transitional school district shall not be subject to the provisions of sections 162.081, 163.021 and 163.023, RSMo, with respect to any requirements to maintain a minimum value of operating levy or any consequences provided by law for failure to levy at least such minimum rate. No operating levy or increase in the operating levy shall be established for a transitional school district unless prior approval is obtained from a simple majority of the district's voters.

7. (1) The special administrative board established in this section shall develop, implement, monitor and evaluate a comprehensive school improvement plan, and such plan shall be subject to review and approval of the state board of education. The plan shall ensure that all students meet or exceed grade level standards established by the state board of education pursuant to section 160.514, RSMo;

(2) The special administrative board shall establish student performance standards consistent with the standards established by the state board of education pursuant to section 160.514, RSMo, for preschool through grade twelve in all skill and subject areas, subject to review and approval of the state board of education for the purpose of determining whether the standards are consistent with standards established by the state board of education pursuant to section 160.514, RSMo;

(3) All students in the district who do not achieve grade level standards shall be required to attend summer school;

(4) No student shall be promoted to a higher grade level unless that student has a reading ability at or above one grade level below the student's grade level;

(5) The special administrative board established in this section shall develop, implement and annually update a professional development plan for teachers and other

support staff, subject to review and approval of the state board of education.

8. The school improvement plan established pursuant to this section shall ensure open enrollment and program access to all students in the district. Students who change residence within the district shall be allowed to continue to attend the school in which they were initially enrolled for the remainder of their education at grade levels served by that school, and transportation shall be provided by the district to allow such students to continue to attend such school of initial enrollment.

9. To the extent practicable, the special administrative board shall ensure that per pupil expenditures and pupil-teacher ratios shall be the same for all schools serving students at a given grade level.

10. The special administrative board shall ensure that early childhood education is available throughout the district.

11. The special administrative board shall ensure that vocational education instruction is provided within the district.

12. The special administrative board shall establish an accountability officer whose duty shall be to ensure that academically deficient schools within the district are raised to acceptable condition within two years. In establishing a procedure and criteria for determining that a school is academically deficient pursuant to section 160.538, RSMo, the state board of education shall not use the location of a school nor the number of deficient schools in a district as criteria in such determinations.

13. The transitional school district in any city not within a county shall be dissolved on July 1, 2008 unless the state board determines, prior to that date, that it is necessary for the transitional district to continue to accomplish the purposes for which it was created. The state board of education may cause the termination of the transitional school district at any time upon a determination that the transitional district has accomplished the purposes for which it was established and is no longer needed. The state board of education may cause the reestablishment of the transitional school district at any time upon a determination that it is necessary for the transitional district to be reestablished to accomplish the purposes established in this section. The state board of education shall provide notice to the governor and general assembly of the termination or reestablishment of the transitional school district and the termination or reestablishment shall become effective thirty days following such determination. Upon dissolution of a transitional school district pursuant to this section, nothing in this section shall be construed to reduce or eliminate any power or duty of any school district or districts containing the territory of the dissolved transitional school district unless such transitional school district is reestablished by the state board of education pursuant to this section.

163.011. As used in this chapter unless the context requires otherwise:

(1) "Adjusted gross income":

(a) "District adjusted gross income per return" shall be the total Missouri individual adjusted gross income in a school district divided by the total number of Missouri income tax returns filed from the school district as reported by the state department of revenue for the second preceding year;

(b) "State adjusted gross income per return" shall be the total Missouri individual adjusted gross income divided by the total number of Missouri individual income tax returns, of those returns designating school districts, as reported by the state department of revenue for the second preceding year;

(c) "District income factor" shall be one plus thirty percent of the difference of the district income ratio minus one, except that the district income factor applied to the portion of the assessed valuation corresponding to any increase in assessed valuation above the assessed valuation of a district as of December 31, 1994, shall not exceed a value of one;

(d) "District income ratio" shall be the ratio of the district adjusted gross income per return divided by the state adjusted gross income per return;

(2) "Adjusted operating levy", the sum of tax rates for the current year for teachers and incidental funds for a school district as reported to the proper officer of each county pursuant to section 164.011, RSMo;

[(2)] **(3)** "Average daily attendance" means the quotient or the sum of the quotients obtained by dividing the total number of hours attended in a term by resident pupils between the ages of five and twenty-one by the actual number of hours school was in session in that term. To the average daily attendance of the school term shall be added the full-time equivalent average daily attendance of summer school students. "Full-time equivalent average daily attendance of summer school students" shall be computed by dividing the total number of hours attended by all summer school pupils by the number of hours required in section 160.011, RSMo, in the school term. For purposes of determining average daily attendance under this subdivision, the term "resident pupil" shall include all children between the ages of five and twenty-one who are residents of the school district and who are attending kindergarten through grade twelve in such district. If a child is attending school in a district other than the district of residence and the child's parent is teaching in the school district or is a regular employee of the school district which the child is attending, then such child shall be considered a resident pupil of the school district which the child is attending for such period of time when the district of residence is not otherwise liable for tuition. Average daily attendance for students below the age of five years for which a school district may receive state aid based on such attendance shall be computed as regular school term attendance unless otherwise provided by law;

(4) "Current operating costs", all expenditures for instruction and support services excluding capital outlay and debt service expenditures less the revenue from

federal categorical sources, food service, student activities and payments from other districts;

[(3)] **(5)** "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for debt service;

[(4)] **(6)** "Eligible pupils" shall be the sum of the average daily attendance of the school term plus the product of two times the average daily attendance for summer school;

[(5)] **(7)** "Equalized assessed valuation of the property of a school district" shall be determined by multiplying the assessed valuation of the real property subclasses specified in section 137.115, RSMo, times the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent and dividing by either the percent of true value as determined by the state tax commission on or before March fifteenth preceding the fiscal year in which the valuation will be effective as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater. To the equalized locally assessed valuation of each district shall be added the assessed valuation of tangible personal property. The assessed valuation of property which has previously been excluded from the tax rolls, which is being contested as not being taxable and which increases the total assessed valuation of the school district by fifty percent or more, shall not be included in the calculation of equalized assessed valuation under this subdivision;

(8) "Fiscal instructional ratio of efficiency", the quotient of the sum of the district's current operating costs for all kindergarten through grade twelve direct instructional and direct pupil support service functions, excluding student activities, plus the costs of improvement of instruction and the cost of purchased services and supplies for operation of the facilities housing those programs divided by the sum of the district's current operating cost for kindergarten through grade twelve, plus all tuition revenue received from other districts minus all non-capital transportation costs;

[(6)] **(9)** "Free and reduced lunch eligible pupil count", the number of pupils eligible for free and reduced lunch on the last Wednesday in January for the preceding school year who were enrolled as students of the district, as approved by the department in accordance with applicable federal regulations;

(10) "Graduation rate", the quotient of the number of graduates in the current year as of June thirtieth divided by the sum of the number of graduates in the current year as of June thirtieth plus the number of twelfth-graders who dropped out in the current year plus the number of eleventh-graders who dropped out in the preceding year plus the number of tenth-graders who dropped out in the second preceding year

plus the number of ninth-graders who dropped out in the third preceding year;

[(7)] **(11)** "Guaranteed tax base" means the amount of equalized assessed valuation per eligible pupil guaranteed each school district by the state in the computation of state aid. To compute the guaranteed tax base, school districts shall be ranked annually from lowest to highest according to the amount of equalized assessed valuation per pupil. The guaranteed tax base shall be based upon the amount of equalized assessed valuation per pupil of the school district in which the ninety-fifth percentile of the state aggregate number of pupils falls [during the third preceding year] and, **for fiscal year 1999**, shall be equal to the state average equalized assessed valuation per eligible pupil for the third preceding year times two and one hundred and sixty-seven thousandths, **and for fiscal year 2000 and thereafter, shall be equal to the state average equalized assessed valuation per eligible pupil for the fourth preceding year times two and one hundred and sixty-seven thousandths.** The average equalized assessed valuation per pupil shall be the quotient of the total equalized assessed valuation of the state divided by the number of eligible pupils;

[(8)] **(12)** "Membership" shall be the average of (1) the number of resident full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in September of the previous year and who were in attendance one day or more during the preceding ten school days and (2) the number of resident full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in January of the previous year and who were in attendance one day or more during the preceding ten school days, plus the full-time equivalent number of summer school pupils. "Full-time equivalent number of part-time students" is determined by dividing the total number of hours for which all part-time students are enrolled by the number of hours in the school term. "Full-time equivalent number of summer school pupils" is determined by dividing the total number of hours for which all summer school pupils were enrolled by the number of hours required pursuant to section 160.011, RSMo, in the school term. Only students eligible to be counted for average daily attendance shall be counted for membership;

[(9)] **(13)** "Operating levy for school purposes" means the sum of tax rates levied for teachers and incidental funds **plus the operating levy of any transitional school district containing the school district**, in the payment year and shall be, after all adjustments and equalization of the operating levy, [no less than the minimum value required in section 163.021 for eligibility for increases in state aid as calculated pursuant to section 163.031 and] no greater than a maximum value of four dollars and [sixty] **ninety-five** cents per one hundred dollars assessed valuation, **except that the operating levy shall be no greater than a maximum value of four dollars and seventy cents per one hundred dollars assessed valuation for the purposes of line 2 of subsection 6 of section 163.031.** To equalize the operating levy,

multiply the aggregate tax rates for teachers, incidental, and building funds by either the percent of true value, as determined by the state tax commission on or before March fifteenth preceding the fiscal year in which the evaluation will be effective as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater, and divide by the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, provided that for any district for which the equivalent sales ratio is equal to or greater than thirty-three and one-third percent, the equalized operating levy shall be the adjusted operating levy. For any county in which the equivalent sales ratio is less than thirty-one and two-thirds percent, the state tax commission shall conduct a second study in that county and shall use a sample at least twice as large as the one originally used. If the new ratio is higher than the original ratio provided by this subdivision, the new ratio shall be used for the purposes of this subdivision and for determining equalized assessed valuation pursuant to subdivision (5) of this section. For the purposes of calculating state aid pursuant to section 163.031, for any district which has not enacted a voluntary tax rate rollback nor increased the amount of a voluntary tax rate rollback from the previous year's amount, the tax rate used to determine a district's entitlement shall be adjusted so that any decrease in the entitlement due to a decrease in the tax rate resulting from the reassessment shall equal the decrease in the deduction for the assessed valuation of the district as a result of the change in the tax rate due to reassessment. The tax rate adjustments required under this subdivision due to reassessment shall be cumulative and shall be applied each year to determine the tax rate used to calculate the entitlement; except that whenever the actual current operating levy exceeds the tax rate calculated pursuant to this subdivision for the purpose of determining the district's entitlement, then the prior tax rate adjustments required under this subdivision due to reassessment shall be eliminated and shall not be applied in determining the tax rate used to calculate the district entitlement;

(14) "Preceding year" means, for fiscal year 1999, the first preceding fiscal year, and, for fiscal year 2000 and thereafter, the second preceding fiscal year;

[(10)] **(15)** "School purposes" pertains to teachers and incidental funds;

[(11)] **(16)** "Teacher" means any teacher, teacher-secretary, substitute teacher, supervisor, principal, supervising principal, superintendent or assistant superintendent, school nurse, social worker, counselor or librarian who shall, regularly, teach or be employed for no higher than grade twelve more than one-half time in the public schools and who is certified under the laws governing the certification of teachers in Missouri[;

(12) "Adjusted operating levy", the sum of tax rates for the current year for teachers and incidental funds for a school district as reported to the proper officer of each county pursuant to

section 164.011, RSMo;

(13) "Current operating costs", all expenditures for instruction and support services excluding capital outlay and debt service expenditures less the revenue from federal categorical sources, food service, student activities and payments from other districts].

163.031. 1. School districts which meet the requirements of section 163.021 shall be entitled to an amount computed as follows: an amount determined by multiplying the number of eligible pupils by the **lesser of the** district's equalized operating levy for school purposes as defined in section 163.011 **or two dollars and seventy-five cents per one hundred dollars assessed valuation** multiplied by the guaranteed tax base per eligible pupil times the proration factor **plus an amount determined by multiplying the number of eligible pupils by the greater of zero or the district's equalized operating levy for school purposes as defined in section 163.011 minus two dollars and seventy-five cents per one hundred dollars assessed valuation multiplied by the guaranteed tax base per eligible pupil times the proration factor**. For the purposes of this section, the proration factor shall be equal to the sum of the total appropriation for distribution under subsections 1 and 2 of this section; and the state total of the deductions as calculated in subsection 2 of this section which do not exceed the district entitlements as adjusted by the same proration factor; divided by the amount of the state total of district entitlements before proration as calculated pursuant to this subsection; **provided that, if the proration factor so calculated is greater than one, the proration factor for line 1(b) shall be the greater of one or the proration factor for line 1(a) minus five hundredths, and provided that if the proration factor so calculated is less than one, the proration factor for line 1(a) shall be the lesser of one or the proration factor for line 1(b) plus five hundredths.**

2. From the district entitlement for each district there shall be deducted the following amounts: an amount determined by multiplying the district equalized assessed valuation by the district's equalized operating levy for school purposes times the district income factor plus ninety percent of any payment received the current year of protested taxes due in prior years no earlier than the 1997 tax year minus the amount of any protested taxes due in the current year and for which notice of protest was received during the current year; one hundred percent of the amount received the previous year for school purposes from intangible taxes, fines, forfeitures and escheats, payments in lieu of taxes and receipts from state assessed railroad and utility tax, except that any penalty paid after July 1, 1995, by a concentrated animal feeding operation as defined by the department of natural resources rule shall not be included; one hundred percent of the amounts received the previous year for school purposes from federal properties pursuant to sections 12.070 and 12.080, RSMo; federal impact aid received the previous year for school purposes pursuant to P.L. 81-874 less fifty thousand dollars multiplied by ninety percent or the maximum percentage allowed by federal regulation if that percentage is less than ninety; fifty

percent, or the percentage otherwise provided in section 163.087, of Proposition C revenues received the previous year for school purposes from the school district trust fund pursuant to section 163.087; one hundred percent of the amount received the previous year for school purposes from the fair share fund pursuant to section 149.015, RSMo; and one hundred percent of the amount received the previous year for school purposes from the free textbook fund, pursuant to section 148.360, RSMo.

3. School districts which meet the requirements of section 163.021 shall receive categorical add-on revenue as provided in this subsection. There shall be individual proration factors for each categorical entitlement provided for in this subsection, and each proration factor shall be determined by annual appropriations, but no categorical proration factor shall exceed the entitlement proration factor established pursuant to subsection 1 of this section, except that the vocational education entitlement proration factor established pursuant to line 16 of subsection 6 of this section and the educational and screening program entitlements proration factor established pursuant to line 17 of subsection 6 of this section may exceed the entitlement proration factor established pursuant to subsection 1 of this section. The categorical add-on for the district shall be the sum of: seventy-five percent of the district allowable transportation costs pursuant to section 163.161 multiplied by the proration factor; the special education approved or allowed cost entitlement for the district, provided for by section 162.975, RSMo, multiplied by the proration factor; seventy-five percent of the district gifted education approved or allowable cost entitlement as determined pursuant to section 162.975, RSMo, multiplied by the proration factor; **the greater of:** the free and reduced lunch eligible pupil count for the district, as defined in section 163.011, multiplied by twenty percent times the guaranteed tax base per eligible pupil times **two dollars and seventy-five cents per one hundred dollars assessed valuation** [the minimum value for an operating levy for school purposes as provided in section 163.011] times the proration factor **plus the free and reduced lunch eligible pupil count for the district, as defined in section 163.031 times thirty percent times the guaranteed tax base per eligible pupil times the following quantity: ((the greater of zero or the district's operating levy for school purposes minus two dollars and seventy-five cents per one hundred dollars assessed valuation) times one or, beginning in the fifth year following the effective date of this section, the quotient of the district's fiscal instructional ratio of efficiency for the prior year divided by the fiscal year 1998 statewide average fiscal instructional ratio of efficiency, if the district's prior year fiscal instructional ratio of efficiency is at least five percent below the fiscal year 1998 statewide average) times the proration factor, minus court-ordered state desegregation aid received by the district for operating purposes;** the career ladder entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo, multiplied by the proration factor; the vocational education entitlement for the district, as provided for in section 167.332, RSMo, multiplied by the proration factor and

the district educational and screening program entitlements as provided for in sections 178.691 to 178.699, RSMo, times the proration factor.

4. Each district's apportionment shall be the prorated categorical add-ons plus the greater of the district's prorated entitlement minus the total deductions for the district or zero.

5. (1) In the 1993-94 school year and all subsequent school years, pursuant to section 10(c) of article X of the state constitution, a school district shall adjust upward its operating levy for school purposes to the extent necessary for the district to at least maintain the current operating expenditures per pupil received by the district from all sources in the 1992-93 school year, except that its operating levy for school purposes shall not exceed the highest tax rate in effect subsequent to the 1980 tax year, or the minimum rate required by subsection 2 of section 163.021, whichever is less.

(2) [Beginning with the 1993-94 school year,] The revenue per eligible pupil received by a district from the following sources: line 1 minus line 10[, or zero if line 1 minus line 10 is less than zero, plus] **and** line 14 of subsection 6 of this section[; plus the] product of the current assessed valuation of the district multiplied by the following tax rate - the greater of zero or the minimum rate required by subsection 2 of section 163.021 minus the district's equalized operating levy for school purposes for 1993, shall not be less than the revenue per eligible pupil received by a district in the 1992-93 school year from the foundation formula entitlement payment amount. The department of elementary and secondary education shall make an addition in the payment amount of line 19 of subsection 6 of this section to assure compliance with the provisions contained in this section. **A district qualifying for an additional payment pursuant to this section shall receive an amount equal to the revenue per eligible pupil received by the district in the 1992-93 school year from the foundation formula entitlement payment amount plus the amount of line 14A of subsection 6 of this section times the quotient of the greater of zero or line 1 minus line 10 divided by the revenue per eligible pupil received by the district in the 1992-93 school year from the foundation formula entitlement payment amount.**

(3) For any school district which meets the eligibility criteria for state aid as established in section 163.021, but which under subsections 1 to 4 of this section, receives no state aid for two successive school years, other than categorical add-ons, by August first following the second such school year, the commissioner of education shall present a plan to the superintendent of the school district for the waiver of rules and the duration of said waivers, in order to promote flexibility in the operations of the district and to enhance and encourage efficiency in the delivery of instructional services. The provisions of other law to the contrary notwithstanding, the plan presented to the superintendent shall provide a summary waiver, with no conditions, for the pupil testing requirements pursuant to section 160.257, RSMo. Further, the provisions of other law to the contrary notwithstanding, the plan shall detail a means for the waiver of requirements

otherwise imposed on the school district related to the authority of the state board of education to classify school districts pursuant to section 161.092, RSMo, and such other rules as determined by the commissioner of education, except that such waivers shall not include the provisions established pursuant to sections 160.514 and 160.518, RSMo.

(4) In the 1993-94 school year and each school year thereafter for two years, those districts which are entitled to receive state aid under subsections 1 to 4 of this section, shall receive state aid in an amount per eligible pupil as provided in this subsection. For the 1993-94 school year, the amount per eligible pupil shall be twenty-five percent of the amount of state aid per eligible pupil calculated for the district for the 1993-94 school year pursuant to subsections 1 to 4 of this section plus seventy-five percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1993-94 school year pursuant to subsections 1 to 4 of this section. For the 1994-95 school year, the amount per eligible pupil shall be fifty percent of the amount of state aid per eligible pupil calculated for the district for the 1994-95 school year pursuant to subsections 1 to 4 of this section plus fifty percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1994-95 school year pursuant to subsections 1 to 4 of this section. For the 1995-96 school year, the amount of state aid per eligible pupil shall be seventy-five percent of the amount of state aid per eligible pupil calculated for the district for the 1995-96 school year pursuant to subsections 1 to 4 of this section plus twenty-five percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1995-96 school year pursuant to subsections 1 to 4 of this section. Nothing in this subdivision shall be construed to limit the authority of a school district to raise its district operating levy pursuant to subdivision (1) of this subsection.

(5) If the total of state aid apportionments to all districts pursuant to subdivision (3) of this subsection is less than the total of state aid apportionments calculated pursuant to subsections 1 to 4 of this section, then the difference shall be deposited in the outstanding schools trust fund. If the total of state aid apportionments to all districts pursuant to subdivision (1) of this subsection is greater than the total of state aid apportionments calculated pursuant to subsections 1 to 4 of this section, then funds shall be transferred from the outstanding schools trust fund to the state school moneys fund to the extent necessary to fund the district entitlements as modified by subdivision (4) of this subsection for that school year with a district entitlement proration factor no less than one and such transfer shall be given priority over all other uses for the outstanding schools trust fund as otherwise provided by law.

6. State aid shall be determined as follows:

District Entitlement

[1.] **1(a)**. Number of eligible pupils x **(lesser of** district's

equalized operating levy for school purposes **or two dollars and seventy-five cents per one hundred dollars assessed valuation**) x

(proration x GTB perEP) \$.....

1(b). Number of eligible pupils x (greater of: 0, or district's equalized operating levy for school purposes minus two dollars and seventy-five cents per one hundred dollars assessed valuation) x (proration x GTB per EP) \$.....

Deductions

2. District equalized assessed valuation x district income factor x district's equalized operating levy for school purposes plus ninety percent of any payment received the current year of protested taxes due in prior years no earlier than the 1997 tax year minus the amount of any protested taxes due in the current year and for which notice of protest was received during the current year \$.....

3. Intangible taxes, fines, forfeitures, escheats, payments in lieu of taxes, etc. (100% of the amount received the previous year for school purposes) \$.....

4. Receipts from state assessed railroad and utility tax (100% of the amount received the previous year for school purposes) \$.....

5. Receipts from federal properties pursuant to sections 12.070 and 12.080, RSMo (100% of the amount received the previous year for school purposes) \$.....

6. (Federal impact aid received the previous year for school purposes pursuant to P.L. 81-874 less \$50,000) x 90% or the maximum percentage allowed by federal regulations if less than 90% \$.....

7. Fifty percent or the percentage otherwise

	provided in section 163.087 of Proposition C receipts from the school district trust fund received the previous year for school purposes pursuant to section 163.087	\$.....
8.	One hundred percent of the amount received the previous year for school purposes from the fair share fund pursuant to section 149.015, RSMo	\$.....
9.	One hundred percent of the amount received the previous year for school purposes from the free textbook fund pursuant to section 148.360, RSMo	\$.....
10.	Total deductions (sum of lines 2-9)	\$.....
	Categorical Add-ons	
11.	The amount distributed pursuant to section 163.161 x proration	\$.....
12.	Special education approved or allowed cost entitlement for the district pursuant to section 162.975, RSMo, x proration	\$.....
13.	Seventy-five percent of the gifted education approved or allowable cost entitlement as determined pursuant to section 162.975, RSMo, x proration	\$.....
[14.]	14(a). Free and reduced lunch eligible pupil count for the district, as defined in section 163.011, x .20 x GTB per EP x \$2.75 per \$100 AV [the minimum value for an operating levy for school purposes as provided in section 163.011] x proration	\$.....
	14(b). Free and reduced lunch eligible pupil count for the district, as defined in section 163.031 x .30 x GTB x ((the greater of zero or the district's adjusted operating levy minus \$2.75 per \$100 AV) x (1.0 or, beginning in the fifth year following the effective date of this section, the district's FIRE for the prior year/statewide average FIRE for FY 1998, if the district's prior year FIRE is at least five percent below the FY1998 statewide average FIRE)	

x proration) - court-ordered state desegregation aid

	received by the district for operating purposes	\$.....
15.	Career ladder entitlement for the district as provided for in sections 168.500 to 168.515, RSMo, x proration	\$.....
16.	Vocational education entitlements for the district as provided in section 167.332, RSMo, x proration	\$.....
17.	Educational and screening program entitlements for the district as provided in sections 178.691 to 178.699, RSMo, x proration	\$.....
18.	Sum of categorical add-ons for the district (sum of lines 11-17)	\$.....
19.	District apportionment (line 18 plus the greater of line 1 minus line 10 or zero)	\$.....

7. Revenue received for school purposes by each school district pursuant to this section shall be placed in each of the incidental and teachers' funds based on the ratio of the property tax rate in the district for that fund to the total tax rate in the district for the two funds.

8. No district shall continue to receive funds pursuant to line 14(b) of subsection 6 of this section after the fifth fiscal year such funds are received by the district unless the percentage of the district's students scoring at or above the proficiency level on the statewide assessment system established pursuant to section 160.518, RSMo, is no lower than fifteen percent below the percentage of students statewide scoring at or above the proficiency level for such assessment in the fifth fiscal year the district receives such funds.

163.161. 1. Any school district which makes provision for transporting pupils as provided in section 162.621, RSMo, and sections 167.231 and 167.241, RSMo, shall receive state aid for the ensuing year for such transportation on the basis of the cost of pupil transportation services provided the current year. A district shall receive, pursuant to section 163.031, an amount not greater than seventy-five percent of the allowable costs of providing pupil transportation services to and from school and to and from public accredited vocational courses, and shall not receive an amount per pupil greater than one hundred twenty-five percent of the state average approved cost per pupil transported the second preceding school year, except when the state board of education determines that sufficient circumstances exist to authorize amounts in excess of the one hundred twenty-five percent of the state average approved cost per pupil transported the second previous year.

2. The state board of education shall approve all bus routes or portions of routes and

determine the total miles each district should have for effective and economical transportation of the pupils and shall determine allowable costs. Under circumstances where the state board approves only a portion of a route, the costs for the disapproved portion shall not be considered allowable costs. The local school board, in its discretion, may continue that portion of the route unless that portion of the route was discontinued by the state board of education for safety reasons. When the local school board decides to continue that portion of the route, costs incurred shall be paid from local money or by the parents of the students living on that portion of the route under consideration. State aid for any other portion of the route which shall otherwise be approved shall not be affected. No state aid shall be paid for the costs of transporting pupils living less than one mile from the school. However, if the state board of education determines that circumstances exist where no appreciable additional expenses are incurred in transporting pupils living less than one mile from school, such pupils may be transported without increasing or diminishing the district's entitlement to state aid for transportation.

3. State aid for transporting handicapped and severely handicapped students attending classes within the school district or in a nearby district under a contractual arrangement shall be paid in accordance with the provisions of section 163.031 and an amount equal to seventy-five percent of the additional cost of transporting handicapped and severely handicapped students above the average per pupil cost of transporting all students of the district shall be apportioned pursuant to section 163.031 where such special transportation is approved in advance by the department of elementary and secondary education. State aid for transportation of handicapped and severely handicapped children in a special school district shall be seventy-five percent of allowable costs as determined by the state board of education which may for sufficient reason authorize amounts in excess of one hundred twenty-five percent of the state average approved cost per pupil transported the second previous year. In no event shall state transportation aid exceed seventy-five percent of the total allowable cost of transporting all pupils eligible to be transported; **provided that no district shall receive reduced reimbursement for costs of transportation of handicapped and severely handicapped children based upon inefficiency.**

4. No state transportation aid received pursuant to section 163.031 shall be used to purchase any school bus manufactured prior to April 1, 1977, that does not meet the federal motor vehicle safety standards.

165.122. 1. The commissioner of education may cause an audit examination to be performed, pursuant to this section, of the enrollment and average daily attendance records of any school district. Such examination shall be made in accordance with generally accepted auditing standards applicable in the circumstances, including such reviews and tests of the system of internal check and control and of the books, records and other underlying data as are necessary to enable the independent accountant

performing the audit to come to an informed opinion as to the enrollment and attendance and reporting of the district. A physical count of students shall be a part of the audit. Such physical count shall occur on a date randomly selected without notice to the district. An independent auditor who is not regularly engaged as an employee of the school board shall perform the audit and make a written report of his findings to the commissioner of education and the district school board.

2. The actual and necessary costs of the audit shall be paid by the department.

166.275. 1. Any amount of the difference by which the total amount appropriated by the state to school districts, in accordance with a judgment or order based on the equal protection clause of the fourteenth amendment to the Constitution of the United States, for fiscal year 1999 is less than the amount appropriated for the same purpose in fiscal year 1994 in addition to any unexpended appropriation for the 1998 fiscal year that results in additional unobligated resources for the state in fiscal year 1999 shall be transferred to the state school moneys fund and distributed in the manner provided in section 163.031, RSMo.

2. If the total amount appropriated by the state to school districts, in accordance with a judgment or order based on the equal protection clause of the fourteenth amendment to the Constitution of the United States, for fiscal year [1996] 2000 or any subsequent fiscal year is less than the amount appropriated for the same purpose in fiscal year [1994] 1999, any amount of the difference, in addition to any unexpended appropriation for the prior fiscal year that results in additional unobligated resources for the state beginning in fiscal year [1997, necessary to fund the district entitlements under section 163.031, RSMo, with a district entitlement proration factor no less than one, shall be transferred to the state school moneys fund and distributed in the manner provided in section 163.031, RSMo] 2000 shall be distributed as follows:

(1) Up to the first seventy-five million dollars, or such lesser amount determined by appropriation to be sufficient to fully fund district entitlements pursuant to section 163.031, RSMo, with a proration factor no less than one, of such funds shall be transferred to the state school moneys fund and distributed in the manner provided in section 163.031, RSMo; and

(2) Beginning in fiscal year 2000, after distributing funds pursuant to subdivision (1) of this subsection, the next twenty-five million dollars, or such lesser amount determined optional by appropriation to be sufficient, of the remaining funds shall be transferred to fully fund increases in appropriations for transportation categorical aid provided pursuant to line 11 of subsection 6 of section 163.031, RSMo, and any remainder of such twenty-five million dollars shall be transferred to fund other categorical state aid provided pursuant to section 163.031, RSMo; and

(3) After distributing funds pursuant to subdivisions (1) and (2) of this subsection, the next twenty-five million dollars, or such amount determined by

appropriation to be sufficient to fully fund district entitlements pursuant to section 163.031, RSMo, with a proration factor no less than one, of such funds shall be transferred to the state school moneys fund and distributed in the manner provided in section 163.031, RSMo; and

(4) After distributing funds pursuant to subdivisions (1), (2) and (3) of this subsection, any remaining funds shall be transferred to fully fund categorical state aid provided pursuant to section 163.031, RSMo, for transportation, vocational education, special education, gifted education, remedial reading and implementation costs of assessments established pursuant to section 160.522, RSMo.

168.221. 1. The first three years of employment of all teachers [and principals] entering the employment of the metropolitan school district shall be deemed a period of probation during which period all appointments of teachers [and principals] shall expire at the end of each school year. During the probationary period any probationary teacher [or principal] whose work is unsatisfactory shall be furnished by the superintendent of schools with a written statement setting forth the nature of his incompetency. If improvement satisfactory to the superintendent is not made within one semester after the receipt of the statement, the probationary teacher [or principal] shall be dismissed. The semester granted the probationary teacher [or principal] in which to improve shall not in any case be a means of prolonging the probationary period beyond three years and six months from the date on which the teacher [or principal] entered the employ of the board of education. The superintendent of schools on or before the fifteenth day of April in each year shall notify probationary teachers [or principals] who will not be retained by the school district of the termination of their services. Any probationary teacher [or principal] who is not so notified shall be deemed to have been appointed for the next school year.

2. After completion of satisfactory probationary services, appointments of teachers [and principals] shall become permanent, subject to removal for any one or more causes herein described and to the right of the board to terminate the services of all who attain the age of compulsory retirement fixed by the retirement system. In determining the duration of the probationary period of employment in this section specified, the time of service rendered as a substitute teacher or substitute principal shall not be included.

3. No teacher [or principal] whose appointment has become permanent may be removed except for one or more of the following causes: Immorality, inefficiency in line of duty, violation of the published regulations of the school district, violation of the laws of Missouri governing the public schools of the state, or physical or mental condition which incapacitates him for instructing or associating with children, and then only by a vote of not less than a majority of all the members of the board, upon written charges presented by the superintendent of schools, to be heard by the board after thirty days' notice, with copy of the charges served upon the person against whom they are preferred, who shall have the privilege of being present, together with counsel, offering

evidence and making defense thereto. Notifications received by an employee during a vacation period shall be considered as received on the first day of the school term following. At the request of any person so charged the hearing shall be public. The action and decision of the board upon the charges shall be final. Pending the hearing of the charges, the person charged may be suspended if the rules of the board so prescribe, but in the event the board does not by a majority vote of all the members remove the teacher [or principal] upon charges presented by the superintendent, the person shall not suffer any loss of salary by reason of the suspension. Inefficiency in line of duty is cause for dismissal only after the teacher or principal has been notified in writing at least one semester prior to the presentment of charges against him by the superintendent. The notification shall specify the nature of the inefficiency with such particularity as to enable the teacher or principal to be informed of the nature of his inefficiency.

4. No teacher [or principal] whose appointment has become permanent shall be demoted nor shall his salary be reduced unless the same procedure is followed as herein stated for the removal of the teacher [or principal] because of inefficiency in line of duty, and any teacher [or principal] whose salary is reduced or who is demoted may waive the presentment of charges against him by the superintendent and a hearing thereon by the board. The foregoing provision shall apply only to permanent teachers [and principals] prior to the compulsory retirement age under the retirement system. Nothing herein contained shall in any way restrict or limit the power of the board of education to make reductions in the number of teachers or principals, or both, because of insufficient funds, decrease in pupil enrollment, or abolition of particular subjects or courses of instruction, except that the abolition of particular subjects or courses of instruction shall not cause those teachers who have been teaching the subjects or giving the courses of instruction to be placed on leave of absence as herein provided who are qualified to teach other subjects or courses of instruction, if positions are available for the teachers in the other subjects or courses of instruction.

5. Whenever it is necessary to decrease the number of teachers [or principals, or both,] because of insufficient funds or a substantial decrease of pupil population within the school district, the board of education upon recommendation of the superintendent of schools may cause the necessary number of teachers [or principals, or both,] beginning with those serving probationary periods, to be placed on leave of absence without pay, but only in the inverse order of their appointment. Nothing herein stated shall prevent a readjustment by the board of education of existing salary schedules. No teacher [or principal] placed on a leave of absence shall be precluded from securing other employment during the period of the leave of absence. Each teacher [or principal] placed on leave of absence shall be reinstated in inverse order of his placement on leave of absence. Such reemployment shall not result in a loss of status or credit for previous years of service. No new appointments shall be made while there are available teachers [or principals] on leave of absence who are seventy years of age or less and who are adequately

qualified to fill the vacancy unless the teachers [or principals] fail to advise the superintendent of schools within thirty days from the date of notification by the superintendent of schools that positions are available to them that they will return to employment and will assume the duties of the position to which appointed not later than the beginning of the school year next following the date of the notice by the superintendent of schools.

6. If any regulation which deals with the promotion of [either] teachers [or principals, or both,] is amended by increasing the qualifications necessary to be met before a teacher [or principal] is eligible for promotion, the amendment shall fix an effective date which shall allow a reasonable length of time within which teachers [or principals] may become qualified for promotion under the regulations.

7. A principal shall serve in that role at the pleasure of the superintendent of schools. If a principal is removed from that position, he shall retain the tenure rights of a teacher as provided by this section.

168.420. 1. The state board of education shall establish, on or before April first of each school year, a schedule of no less than four nor greater than six specific professional development days for the next school year.

2. The state board of education shall schedule professional development activities, workshops, conferences and other work sessions for certificated personnel only on the professional development days scheduled for that school year; except that the state board of education may also schedule additional professional development days and professional development activities, workshops, conferences and other work sessions for certificated personnel on Saturdays, Sundays and on any day of the week during the months of June, July or August.

3. This section shall apply to professional development days and professional development activities scheduled for the 1999-2000 school year and each school year thereafter, and this section shall not apply to professional development days and professional development activities scheduled for the 1998-99 school year. This section shall not be construed to limit the professional development days scheduled by any school district.

Section B. 1. Sections 162.1060, 163.011 and 163.031 of this act shall become effective on July 1, 1999, if notification has been provided, no later than December 31, 1998, by the attorney general to the revisor of statutes that a final judgement as to the state of Missouri and its officials is entered or has been entered in each case which subjects one or more school districts in this state to a federal court's jurisdiction.

2. On or within thirty days prior to December 31, 1998, the attorney general shall provide notice to the revisor of statutes as to whether a final judgment as to the state of Missouri and its officials is entered or has been entered in each case which subjects one or more school districts in this state to a federal court's jurisdiction, and if the notice provides that a final judgment as to the

state of Missouri and its officials has not been entered in each such case, sections 162.1060, 160.011 and 163.031 of this act shall not become effective and are hereby terminated. As used in this section, "final judgment" shall include only a judgment which disposes of all claims involving the state of Missouri and its officials and for which final disposition of appeals has been rendered.

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