

FIRST REGULAR SESSION
[P E R F E C T E D]
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILLS NOS. 510, 512 & 133

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR KENNEY.

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TERRY L. SPIELER, Secretary.

2001S.08P

AN ACT

To repeal sections 160.400, 160.405, 160.410, 160.415, 160.420 and 167.349, RSMo 2000, relating to charter schools, and to enact in lieu thereof fourteen new sections relating to the same subject, with an emergency clause for a certain section.

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

Section A. Sections 160.400, 160.405, 160.410, 160.415, 160.420 and 167.349, RSMo 2000, are repealed and fourteen new sections enacted in lieu thereof, to be known as sections 160.400, 160.405, 160.410, 160.415, 160.420, 167.349, 169.270, 169.280, 169.291, 169.301, 169.315, 169.324, 169.596 and 1, to read as follows:

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

2. **Except as otherwise provided pursuant to this section**, charter schools may be operated only in a metropolitan school district or in an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants **or any school district containing territory formerly contained in any school district in which charter schools were authorized to be established pursuant to this section** and may be sponsored

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

by any of the following:

(1) The school board of the district;

(2) A public four-year college or university with its primary campus in the school district **or in a county containing all or a portion of the district** or in a county adjacent to the county in which the district is located, with an approved teacher education program that meets regional or national standards of accreditation; or

(3) A community college located in the district.

(4) The mayor of any city which contains any portion of a school district in which charter schools may be operated.

[3. A maximum of five percent of the school buildings currently in use for instructional purposes in a district may be converted to charter schools. This limitation does not apply to vacant buildings or buildings not used for instructional purposes.]

[4.] **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.

[5.] **4.** The charter school shall be a Missouri nonprofit corporation incorporated pursuant to chapter 355, RSMo. The charter provided for herein shall constitute a contract between the sponsor and the charter school.

[6.] **5.** As a nonprofit corporation incorporated pursuant to chapter 355, RSMo, the charter school shall select the method for election of officers pursuant to section 355.326, RSMo, based on the class of corporation selected. Meetings of the governing board of the charter school shall be subject to the provisions of sections 610.010 to 610.030, RSMo, the open meetings law.

[7.] **6.** 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.

[8.] **7.** A charter school may affiliate with a four-year college or university, including a private college or university, or a community college as otherwise specified in subsection 2 of this section when its charter is granted by a sponsor other than such college, university or community college. Affiliation status recognizes a relationship between the charter school and the college or university for purposes of teacher training and staff development, curriculum and assessment development, use of physical facilities owned by or rented on behalf of the college or university, and other similar purposes. The primary campus of the college or university must be located within the county in which the school district lies wherein the charter school is located or in a county adjacent to the county in which the district is located. A university, college or community college may not charge or accept a fee for affiliation status.

[9.] **8. There is hereby established a "Charter School Sponsor Oversight and**

Accountability Fund". The state treasurer shall, on the first business day of each fiscal year, transfer, from general revenue to the charter school sponsorship oversight and accountability fund, an amount equal to the sum of the number of charter schools which have an approved charter as of the date of the transfer multiplied by twenty-three thousand four hundred dollars, plus the sum of the number of students enrolled in each charter school established pursuant to sections 160.400 to 160.420 during the preceding school year multiplied by one-half of one percent of the per pupil operating revenue for the preceding year for the school district where each such charter school was located. The fund shall be subject to appropriation. The department of elementary and secondary education shall establish, by rule, and administer a grant-based funding program for reimbursing costs of school districts and higher education institutions sponsoring charter schools pursuant to this section. Charter school sponsors may apply to the department each year, no later than August first, to receive a grant for each charter school which it sponsored the preceding year. The grant application shall meet the requirements established pursuant to this section. The amount of each annual grant for an approved application shall be equal to the sum of twenty-three thousand four hundred dollars, plus the number of students enrolled in the charter school during the preceding school year multiplied by one-half of one percent of the per pupil operating revenue for the preceding school year for the school district where the charter school was located. The grant shall be used for providing charter school sponsorship oversight and accountability functions related to the charter granted to the charter school. If the funding is insufficient in any year to fund all eligible, fundable grant applications, all grant awards shall be uniformly prorated until the total amount of grant awards matches the available funds. Any available funding in excess of the total of eligible, fundable grant applications shall be retained in the fund the following year and counted as current year transferred funds for the purpose of reducing the amount of the transfer authorized pursuant to this subsection.

[10.] **9.** No university, college or community college shall grant a charter to a nonprofit corporation if an employee of the university, college or community college is a member of the corporation's board of directors.

10. No sponsor shall grant a charter pursuant to sections 160.400 to 160.420 without ensuring that a criminal background check and child abuse registry check are conducted for all members of the board of directors of the charter schools or the incorporators of the charter school if initial directors are not named in the articles of incorporation, nor shall a sponsor renew a charter without ensuring a criminal background check and child abuse registry check are conducted for each member of the board of directors of the charter school.

11. No member of the board of directors of a charter school shall hold any office or employment from the board or the charter school while a member of the board nor have any substantial interest, as defined pursuant to section 105.450, RSMo, in any entity employed by or contracting with the board.

12. A sponsor shall provide timely submission to the state board of education of all data necessary to demonstrate that the sponsor is in material compliance with all requirements of sections 160.400 to 160.420.

160.405. 1. A person, group or organization seeking to establish a charter school shall submit the proposed charter, as provided in this section, to a sponsor. **The proposed charter shall specify a proposed starting date which shall be no earlier than eleven months following the date the proposed charter is submitted.** If the sponsor is not a school board, the applicant shall give a copy of its application to the school board of the district in which the charter school is to be located **and the state board of education, [when] within five business days of the date** the application is filed with the proposed sponsor. The school board may file objections with the proposed sponsor, and, if a charter is granted, the school board may file objections with the state board of education. 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, personnel qualifications, and professional development plan, 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 application shall be provided to a proposed sponsor no later than**

eleven months prior to the proposed starting date for the charter school to begin operation. Within five business days of receipt of the application, the proposed sponsor shall forward a copy of the charter application to the state board of education and to the school board of the district if the proposed sponsor is not a school board;

(2) 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. **If application for a proposed charter has been submitted to a mayor then the mayor may request an advisory opinion from the department of elementary and secondary education regarding compliance with this section. If so requested, the department of elementary and secondary education shall render said advisory opinion within forty-five days unless otherwise authorized by the mayor making said request.** The sponsor's decision of approval or denial shall be made within [sixty] **ninety** days of the filing of the proposed charter;

[(2)] (3) If the charter is denied, the proposed sponsor shall notify the applicant in writing as to the reasons for its denial **and forward a copy to the state board of education within five business days following the denial;**

[(3)] (4) If a proposed charter is denied by a sponsor, the proposed charter may be submitted to the state board of education, along with the sponsor's written reasons for its denial. If the state board determines that the applicant meets the requirements of this section and that granting a charter to the applicant would be likely to provide educational benefit to the children of the district, the state board may grant a charter and act as sponsor of the charter school. **The state board shall review the proposed charter and make a determination of whether to deny or grant the proposed charter within sixty days of receipt of the proposed charter and shall notify the applicant in writing as to the reasons for its denial, if applicable;** [and]

[(4)] (5) The sponsor of a charter school shall give priority to charter school applicants that propose a school oriented to high-risk students and to the reentry of dropouts into the school system. If a sponsor grants three or more charters, at least one-third of the charters granted by the sponsor shall be to schools that actively recruit dropouts or high-risk students as their student body and address the needs of dropouts or high-risk students through their proposed mission, curriculum, teaching methods, and services. For purposes of this subsection, a "high-risk" student is one who is at least one year behind in satisfactory completion of course work or obtaining credits for graduation, pregnant or a parent, homeless or has been homeless sometime within the preceding six months, has limited English proficiency, has been suspended from school three or more times, **is eligible for free or reduced price school lunch**, or has been referred by the school district for enrollment in an alternative program. "Dropout" shall be defined through the guidelines of the school core data report. The provisions of this subsection do not apply to charters

sponsored by the state board of education.

3. If a charter is approved by a sponsor, it shall be submitted to the state board of education which may, within [forty-five] **sixty** 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 160.400 to 160.420.

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 160.400 to 160.420, be exempt from all laws and rules relating to schools, governing boards and school districts;

(4) Be financially accountable, use practices consistent with the Missouri financial accounting manual, provide for an annual audit by a certified public accountant, **publish audit reports and annual financial reports as provided pursuant to chapter 165, RSMo, provided that the annual financial report may be published via the Internet on the secretary of state's website in lieu of other publishing requirements**, 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. A charter school that incurs debt must include a repayment plan in its financial plan;

(5) Provide a comprehensive program of instruction for at least one grade or age group from kindergarten through grade twelve, which may include early childhood education if funding for such programs is established by statute, 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] **employ** the statewide system of assessments, comprised of 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, **which shall also include a statement that background checks have been completed on the charter school's board members**, 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, and provide data required for the study of charter schools pursuant to subsection 3 of section 160.410. No charter school will be considered in the Missouri

school improvement program review of the district in which it is located for the resource or process standards of the program. Nothing in this paragraph shall be construed as permitting a charter school to be held to lower performance standards than other public schools within a district; however, the charter of a charter school may permit students to meet performance standards on a different time frame as specified in its charter;

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

(8) Provide, in a timely fashion, all information necessary to confirm on-going compliance with all provisions of the charter and sections 160.400 to 160.420.

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, **failure to provide information necessary to confirm compliance with all provisions of the charter and sections 160.400 to 160.420 within forty-five days following receipt of written notice requesting such information** 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. **The sponsor may require the remedial plan to provide for a change in methodology or leadership, or both.**

(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 the health and safety of the children.

8. If the sponsor of a charter school is a mayor, then said mayor may request the department of elementary and secondary education, any institution which is authorized

to grant a charter or a four-year college or university with which the charter school is legally authorized to affiliate, to oversee the performance of the charter school pursuant to this section. The department of elementary and secondary education shall comply with said request in a timely fashion. If any institution or organization other than the department of elementary or secondary education agrees to provide services for such oversight then said institution or organization shall comply with all applicable laws to be a sponsor in addition to other agreed to terms and conditions.

9. A sponsor shall take all reasonable steps necessary to confirm each charter school sponsored by such sponsor is in material compliance and remains in material compliance with all material provisions of the charter and sections 160.400 to 160.420.

10. 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.] **11.** 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.

12. Charter school board members shall be subject to the same liability for acts while in office as if they were regularly and duly elected members of school boards in any other public school district in this state. The board of directors of a charter school may participate, to the same extent as a school board, in the Missouri public entity risk management fund in the manner provided pursuant to sections 537.700 to 537.755, RSMo.

160.410. 1. A charter school shall enroll all pupils resident in the district in which it operates or eligible to attend a district's school under an urban voluntary transfer program 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 socioeconomically 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 based on 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. The department of elementary and secondary education shall commission a study of the performance of students at each charter school in comparison with a comparable group and a study of the impact of charter schools upon the districts in which they are located, to be conducted by a contractor selected through a request for proposal. The department of elementary and secondary education shall reimburse the contractor from funds appropriated by the general assembly for the purpose. The study of a charter school's student performance in relation to a comparable group shall be designed to provide information that would allow parents and educators to make valid comparisons of academic performance between the charter school's students and a group of students comparable to the students enrolled in the charter school. The impact study shall be undertaken every two years to determine the effect of charter schools on education stakeholders in the districts where charter schools are operated. The impact study may include, but is not limited to, determining if changes have been made in district policy or procedures attributable to the charter school and to perceived changes in attitudes and expectations on the part of district personnel, school board members, parents, students, the business community and other education stakeholders. The department of elementary and secondary education shall make the results of the studies public and shall deliver copies to the governing boards of the charter schools, the sponsors of the charter schools, the school board and superintendent of the districts in which the charter schools are operated.

4. A charter school shall make available for public inspection, free of charge, and provide upon request, to the parent, guardian or other custodian of any school-age pupil resident in the district in which the school is located, the following information:

(1) The school's charter; and

(2) The school's most recent annual report card published pursuant to section 160.522; and

(3) The results of background checks on the charter school's board members.

The charter school may charge reasonable fees for furnishing copies of documents pursuant to this subsection.

160.415. 1. For the purposes of calculation and distribution of state school aid under section 163.031, RSMo, pupils enrolled in a charter school shall be included in the pupil enrollment of the school district within which each pupil resides. 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. (1) A school district having one or more resident pupils attending a charter school shall pay to the charter school an annual amount equal to the product of the equalized, adjusted operating levy for school purposes for the pupils' district of residence for the current year times the guaranteed tax base per eligible pupil, as defined in section 163.011, RSMo, times the number of the district's resident pupils attending the charter school plus all other state aid attributable to such pupils, including summer school, if applicable, and all aid provided pursuant to section 163.031, RSMo.

(2) 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.

(3) The amounts provided pursuant to this subsection shall be prorated for partial year enrollment for a pupil.

(4) A school district shall pay the amounts due pursuant to this subsection as the disbursal agent and no later than twenty days following receipt of any such funds.

(5) The per-pupil amount paid by a school district to a charter school shall be reduced by the amount per pupil determined by the state board of education to be needed by the district in the current year for repayment of leasehold revenue bonds obligated pursuant to a federal court desegregation action.

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 of this section and shall deduct the same amount from the next state school aid apportionment to the owing school district. If a charter school is paid more or less than the amounts due pursuant to subsection 2 of this section, the amount of overpayment or underpayment shall be adjusted in its next payment by the school district or the department of elementary and secondary education, as appropriate. Any dispute between the school district and a charter school as to the amount owing to the charter school shall be resolved by the department of elementary and secondary education, and the department's decision shall be the final administrative action for the purposes of review pursuant to chapter 536, RSMo.

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 and libraries and shall be subject to negotiation between the charter school and the local school board or other

entity. Documented actual 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 district shall provide the special services provided pursuant to section 162.705, RSMo, and may provide the special services pursuant to a contract with a school district or any provider of such services.

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. 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. Upon the dissolution of a charter school, any liabilities of the corporation will be satisfied through the procedures of chapter 355, RSMo.

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. 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 charter school or other public schools, or contrary to the terms of the charter.

12. No later than April 1, 2002, the state board of education shall establish a process whereby a charter school may be evaluated for compliance with applicable school-level standards of the Missouri school improvement program review. In addition to any performance study required pursuant to subsection 3 of section 160.410, every charter school located in an urban school district shall demonstrate compliance with the standards established by the state board of education pursuant to this subsection or provide, to the sponsor and the state board of education, documentation of accreditation of such charter school by an independent accrediting agency which accredits one or more non-public schools in this state which has standards which are no lower than the standards established by the state board pursuant to this subsection.

160.420. 1. **Any school district in which charter schools may be established pursuant to sections 160.400 to 160.420 shall establish a uniform policy which provides that** 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] The district's policy shall provide that any** 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 **retains such teacher's** seniority rights in the district **for three years**. The school district shall not be liable for any such employee's acts while an employee of the charter school.

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. **A charter school may employ noncertificated administrative personnel and noncertificated principals and assistant principals.** 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. Personnel employed by the charter school shall 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. **For purposes of participating in the retirement system, the charter school shall be considered to be a public school within the school district and personnel employed by the charter school shall be public school employees. In the event of a lapse of the school district's corporate organization as described in subsections 1 and 4 of section 162.081, RSMo, personnel employed by the charter school shall continue to participate in the retirement system and shall do so on the same terms, conditions, requirements and other provisions as they participated prior to the lapse.**

167.349. In any school district to which any provisions of sections 167.340 to 167.346 apply

and in which district charter schools may be established pursuant to section 160.400, RSMo, any state college or university which provides educational programs to any part of such district **and any campus of the state university located in a county of the third classification** may sponsor one or more charter schools pursuant to section 160.400, RSMo, and, in addition to the purposes for which charter schools may be established pursuant to sections 160.400 to 160.420, RSMo, such charter schools may be established to emphasize remediation of reading deficiencies.

169.270. Unless a different meaning is clearly required by the context, the following words and phrases as used in sections 169.270 to 169.400 shall have the following meanings:

(1) "Accumulated contributions", the sum of all amounts deducted from the compensation of a member or paid on behalf of the member by the employer and credited to the member's individual account together with interest thereon in the employees' contribution fund. The board of trustees shall determine the rate of interest allowed thereon as provided for in section 169.295;

(2) "Actuarial equivalent", a benefit of equal value when computed upon the basis of formulas and/or tables which have been approved by the board of trustees;

(3) "Average final compensation", the highest average annual compensation received for any four consecutive years of service. In determining whether years of service are "consecutive", only periods for which creditable service is earned shall be considered, and all other periods shall be disregarded;

(4) "Beneficiary", any person designated by a member for a retirement allowance or other benefit as provided by sections 169.270 to 169.400;

(5) "Board of education", the board of directors or corresponding board, by whatever name, having charge of the public schools of the school district in which the retirement system is established;

(6) "Board of trustees", the board provided for in section 169.291 to administer the retirement system;

(7) "Break in service", an occurrence when a regular employee ceases to be a regular employee for any reason (including termination of employment, resignation, retirement or furlough but not including vacation, sick leave, excused absence or leave of absence granted by an employer) and such person does not again become a regular employee until after fifteen consecutive school or work days have elapsed. A "school or work day" is a day on which the employee's employer requires (or if the position no longer exists, would require, based on past practice) employees having the former employee's last job description to report to their place of employment for any reason;

(8) "**Charter school**", **any charter school established pursuant to sections 160.400 to 160.420, RSMo, and located, at the time it is established, within the school district;**

(9) "Compensation", the regular compensation as shown on the salary and wage schedules of the employer plus any amounts paid by the employer on a member's behalf pursuant to subdivision (5) of subsection 1 of section 169.350, but such term is not to include extra pay,

overtime pay, consideration for entering into early retirement, or any other payments not included on salary and wage schedules. For any year beginning after December 31, 1988, the annual compensation of each member taken into account under the retirement system shall not exceed the limitation set forth in Section 401(a)(17) of the Internal Revenue Code of 1986, as amended;

[(9)] **(10)** "Creditable service", the amount of time that a regular employee is a member of the retirement system and makes contributions thereto in accordance with the provisions of sections 169.270 to 169.400;

(11) "Employee", any person who is classified by the school district, a charter school, the library district or the retirement system established by section 169.280 as an employee of such employer and is reported contemporaneously for federal and state tax purposes as an employee of such employer. A person is not considered to be an employee for purposes of said retirement system with respect to any service for which the person was not reported contemporaneously for federal and state tax purposes as an employee of such employer, whether or not the person is or may later be determined to be or to have been a common law employee of such employer, including but not limited to, persons classified by the employer as independent contractors and persons employed by other entities which contract to provide staff and services to the employer. In no event shall a person reported for federal tax purposes as an employee of a private, for-profit entity be deemed to be an employee eligible to participate in the retirement system established by section 169.280 with respect to such employment;

[(10)] **(12)** "Employer", the school district, **any charter school**, the library district, or the retirement system established by section 169.280, or any combination thereof, as required by the context to identify the [common law] employer of any member, or, for purposes only of subsection 2 of section 169.324, of any retiree;

[(11)] **(13)** "Employer's board", the board of education, **the governing board of any charter school**, the board of trustees of the library district, the board of trustees, or any combination thereof, as required by the context to identify the governing body of an employer;

[(12)] **(14)** "Library district", any urban public library district created from or within a school district under the provisions of section 182.703, RSMo;

[(13)] **(15)** "Medical board", the board of physicians provided for in section 169.291;

[(14)] **(16)** "Member", any person who is a regular employee after the retirement system has been established hereunder ("active member"), and any person who (i) was an active member, (ii) has vested retirement benefits hereunder, and (iii) is not receiving a retirement allowance hereunder ("inactive member");

[(15)] **(17)** "Minimum normal retirement age", the earlier of the member attaining the age of sixty or has a total of at least seventy-five credits, with each year of creditable service, and prorated for fractional years, equal to one credit and each year of age, and prorated for fractional

years, equal to one credit;

[(16)] **(18)** "Prior service", service prior to the date the system becomes operative which is creditable in accordance with the provisions of section 169.311. Prior service in excess of thirty-eight years shall be considered thirty-eight years;

[(17)] **(19)** "Regular employee", any [person employed by the school district, the library district, or the retirement system] **employee** who is assigned to an established position which requires [a] service of not less than five hours per day, five days per week, and not less than nine calendar months a year. Any regular employee who is subsequently assigned without break in service to a position demanding less service than is required of a regular employee shall continue the employee's status as a regular employee. However, a temporary, part-time or furloughed employee is not a regular employee;

[(18)] **(20)** "Retirant", a former member receiving a retirement allowance hereunder;

[(19)] **(21)** "Retirement allowance", annuity payments to a retirant or to such beneficiary as is entitled to same;

[(20)] **(22)** "School district", any school district in which a retirement system shall be established under section 169.280.

169.280. 1. In each school district of this state (i) that now has or may hereafter have a population of not more than seven hundred thousand and (ii) not less than seventy percent of whose population resides in a city other than a city not within a county which now has or may hereafter have a population of four hundred thousand or more, according to the latest United States decennial census, there is hereby created and established a retirement system for the purpose of providing retirement allowances and related benefits for employees of the employer. Each such system shall be under the management of a board of trustees herein described, and shall be known as "The Public School Retirement System of (name of school district)", and by such name all of its business shall be transacted, all of its funds invested, and all of its cash and securities and other property held. When a school district first satisfies the foregoing population conditions, the board of education shall adopt a resolution certifying the same and take all actions necessary to cause the retirement system to begin operation on the thirtieth day of September following such certification.

2. In the event that (i) the population of a school district having a retirement system created hereunder should increase to a number greater than seven hundred thousand, or (ii) the population of the city in which not less than seventy percent of the population of the school district resides should decrease to a number less than four hundred thousand, or (iii) less than seventy percent of the population of the school district should reside in a city having a population of at least four hundred thousand, **or (iv) the corporate organization of the school district shall lapse in accordance with subsections 1 and 4 of section 162.081, RSMo**, the retirement system of such school district shall continue to be governed by and subject to sections 169.270 to 169.400 and

all other statutes, rules, and regulations applicable to retirement systems in school districts having a population of not more than seven hundred thousand and not less than seventy percent of whose population resides in a city, other than a city not within a county, of four hundred thousand or more, as if the population of such school district and city continued to be within such numerical limits.

169.291. 1. The general administration and the responsibility for the proper operation of the retirement system are hereby vested in a board of trustees of twelve persons who shall be resident taxpayers of the school district, as follows:

(1) Four trustees to be appointed for terms of four years by the board of education; provided, however, that the terms of office of the first four trustees so appointed shall begin immediately upon their appointment and shall expire one, two, three and four years from the date the retirement system becomes operative, respectively;

(2) Four trustees to be elected for terms of four years by and from the members of the retirement system; provided, however, that the terms of office of the first four trustees so elected shall begin immediately upon their election and shall expire one, two, three and four years from the date the retirement system becomes operative, respectively;

(3) The ninth trustee shall be the superintendent of schools of the school district;

(4) The tenth trustee shall be one retirant of the retirement system elected for a term of four years beginning the first day of January immediately following August 13, 1986, by the retirants of the retirement system;

(5) The eleventh trustee shall be appointed for a term of four years beginning the first day of January immediately following August 13, 1990, by the board of trustees described in subdivision (3) of section 182.701, RSMo;

(6) The twelfth trustee shall be a retirant of the retirement system elected for a term of four years beginning the first day of January immediately following August 28, 1992, by the retirants of the retirement system.

2. If a vacancy occurs in the office of a trustee, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled, except that the board of trustees may appoint a qualified person to fill the vacancy in the office of an elected member until the next regular election at which time a member shall be elected for the unexpired term. **No vacancy or vacancies on the board of trustees shall impair the power of the remaining trustees to administer the retirement system pending the filling of such vacancy or vacancies.**

3. **In the event of a lapse of the school district's corporate organization as described in subsections 1 and 4 of section 162.081, RSMo, the general administration and the responsibility for the proper operation of the retirement system shall continue to be vested in a twelve person board of trustees who shall be resident taxpayers of the city of Kansas City, Missouri. In such event, if vacancies occur in the offices of the four**

trustees appointed, prior to the lapse, by the board of education, or in the offices of the four trustees elected, prior to such lapse, by the members of the retirement system, and/or in the office of trustee held, prior to the lapse, by the superintendent of schools of the school district, all as provided in subdivisions (1), (2) and (3) of subsection 1 of this section, the board of trustees shall appoint a qualified person to fill each such vacancy and subsequent vacancies in the office of trustee for terms of up to four years, as determined by the board of trustees.

4. Each trustee shall, before assuming the duties of a trustee, take the oath of office before the court of the judicial circuit or one of the courts of the judicial circuit in which the school district is located that so far as it devolves upon the trustee, such trustee shall diligently and honestly administer the affairs of the board of trustees and that the trustee will not knowingly violate or willingly permit to be violated any of the provisions of the law applicable to the retirement system. Such oath shall be subscribed to by the trustee making it and filed in the office of the clerk of the circuit court.

[4.] 5. Each trustee shall be entitled to one vote in the board of trustees. Seven trustees shall constitute a quorum at any meeting of the board of trustees. At any meeting of the board of trustees where a quorum is present, the vote of at least seven of the trustees in support of a motion, resolution or other matter is necessary to be the decision of the board. **Notwithstanding the preceding two sentences, in the event of a lapse of the school district's corporate organization as described in subsections 1 and 4 of section 162.081, RSMo, a majority of the trustees then in office shall constitute a quorum at any meeting of the board of trustees, and the vote of a majority of the trustees then in office in support of a motion, resolution or other matter shall be necessary to be the decision of the board.**

[5.] 6. The board of trustees shall have exclusive original jurisdiction in all matters relating to or affecting the funds herein provided for, including, in addition to all other matters, all claims for benefits or refunds, and its action, decision or determination in any matter shall be reviewable in accordance with chapter 536, RSMo, or chapter 621, RSMo. Subject to the limitations of sections 169.270 to 169.400, the board of trustees shall, from time to time, establish rules and regulations for the administration of funds of the retirement system, for the transaction of its business, and for the limitation of the time within which claims may be filed.

[6.] 7. The trustees shall serve without compensation. The board of trustees shall elect from its membership a chairman and a vice chairman. The board of trustees shall appoint an executive director who shall serve as the administrative officer of the retirement system and as secretary to the board of trustees. It shall employ one or more persons, firms or corporations experienced in the investment of moneys to serve as investment counsel to the board of trustees. The compensation of all persons engaged by the board of trustees and all other expenses of the board necessary for the operation of the retirement system shall be paid at such rates and

in such amounts as the board of trustees shall approve, and shall be paid from the investment income.

[7.] **8.** The board of trustees shall keep in convenient form such data as shall be necessary for actuarial valuations of the various funds of the retirement system and for checking the experience of the system.

[8.] **9.** The board of trustees shall keep a record of all its proceedings which shall be open to public inspection. It shall prepare annually and furnish to the board of education and to each member of the retirement system who so requests a report showing the fiscal transactions of the retirement system for the preceding fiscal year, the amount of accumulated cash and securities of the system, and the last balance sheet showing the financial condition of the system by means of an actuarial valuation of the assets and liabilities of the retirement system.

[9.] **10.** The board of trustees shall have, in its own name, power to sue and to be sued, to enter into contracts, to own property, real and personal, and to convey the same; but the members of such board of trustees shall not be personally liable for obligations or liabilities of the board of trustees or of the retirement system.

[10.] **11.** The board of trustees shall arrange for necessary legal advice for the operation of the retirement system.

[11.] **12.** The board of trustees shall designate a medical board to be composed of three physicians who shall not be eligible for membership in the system and who shall pass upon all medical examinations required under the provisions of sections 169.270 to 169.400, shall investigate all essential statements and certificates made by or on behalf of a member in connection with an application for disability retirement and shall report in writing to the board of trustees its conclusions and recommendations upon all matters referred to it.

[12.] **13.** The board of trustees shall designate an actuary who shall be the technical advisor of the board of trustees on matters regarding the operation of the retirement system and shall perform such other duties as are required in connection therewith. Such person shall be qualified as an actuary by membership as a Fellow of the Society of Actuaries or by similar objective standards.

[13.] **14.** At least once in each five-year period the actuary shall make an investigation into the actuarial experience of the members, retirants and beneficiaries of the retirement system and, taking into account the results of such investigation, the board of trustees shall adopt for the retirement system such actuarial assumptions as the board of trustees deems necessary for the financial soundness of the retirement system.

[14.] **15.** On the basis of such actuarial assumptions as the board of trustees adopts, the actuary shall make annual valuations of the assets and liabilities of the funds of the retirement system.

[15.] **16.** The rate of contribution payable by the employer shall equal one and ninety-nine

one-hundredths percent, effective July 1, 1993; three and ninety-nine one-hundredths percent, effective July 1, 1995; five and ninety-nine one-hundredths percent, effective July 1, 1996; seven and one-half percent effective January 1, 1999, and for all subsequent years.

17. In the event of a lapse of a school district's corporate organization as described in subsections 1 and 4 of section 162.081, RSMo, no retirement system, nor any of the assets thereof, shall be transferred to or merged with another retirement system without prior approval of such transfer or merger by the board of trustees of the retirement system.

169.301. 1. Any active member who has completed five or more years of actual (not purchased) creditable service shall be entitled to a vested retirement benefit equal to the annual service retirement allowance provided in sections 169.270 to 169.400 payable after attaining the minimum normal retirement age and calculated in accordance with the law in effect on the last date such person was a regular employee; provided, that such member does not withdraw such person's accumulated contributions pursuant to section 169.328 prior to attaining the minimum normal retirement age.

2. Any member who elected on October 13, 1961, or within thirty days thereafter, to continue to contribute and to receive benefits under sections 169.270 to 169.400 may continue to be a member of the retirement system under the terms and conditions of the plan in effect immediately prior to October 13, 1961, or may, upon written request to the board of trustees, transfer to the present plan, provided that the member pays into the system any additional contributions with interest the member would have credited to the member's account if such person had been a member of the current plan since its inception or, if the person's contributions and interest are in excess of what the person would have paid, such person will receive a refund of such excess. The board of trustees shall adopt appropriate rules and regulations governing the operation of the plan in effect immediately prior to October 13, 1961.

3. Should a retirant again become an active member, such person's retirement allowance payments shall cease during such membership and shall be recalculated upon subsequent retirement to include any creditable service earned during the person's latest period of active membership **in accordance with subsection 2 of section 169.324.**

4. Should an inactive member again become an active member following a break in service, upon retirement such person's retirement allowance shall be calculated in accordance with subsection 5 of section 169.324.

169.315. 1. The board of trustees shall adopt rules and regulations which shall permit members to purchase creditable service under the circumstances provided for in this section. Such rules and regulations shall specify, for each such designated circumstance:

(1) The manner in which the employee contributions required to purchase such service shall be calculated;

(2) The manner in which any employer contributions required for such service shall be calculated;

(3) The maximum amount of service that may be purchased, if any;

(4) The time by which the election to purchase service shall be made and the period over which such contributions shall be paid; and

(5) Any other requirements the member must satisfy in order to be eligible to purchase service in such circumstance.

All such rules and regulations shall be applied on a uniform and nondiscriminatory basis so that all members are treated similarly under similar circumstances.

2. Any active member who ceased to be a regular employee and received a refund of contributions and interest attributable to a prior period of service with [the district in which the retirement system is established] **any employer** may, after reemployment as a regular employee and prior to retirement, elect to reinstate any creditable service the member forfeited by purchasing such service in accordance with the rules and regulations adopted by the board of trustees.

3. Any active member who has rendered service in a public school district or public library within the state of Missouri but outside of the district in which the retirement system is established, or in a college, junior college or university within the state of Missouri may elect to purchase and receive credit for such service in accordance with the rules and regulations adopted by the board of trustees.

4. Any active member who has rendered service in a public school district, public library, college, junior college or university outside the state of Missouri may elect to purchase and receive credit for such service in accordance with the rules and regulations adopted by the board of trustees; provided that, such member shall pay to the retirement system, in addition to all required employee contributions, the required amount of employer contributions, plus interest, for each year of creditable service being purchased.

5. Any active member who was, prior to becoming a member, employed by a private school, college or university on a full-time basis and duly certified under the law governing the certification of teachers during all of such employment may elect to purchase and receive credit for such private school service in accordance with the rules and regulations adopted by the board of trustees; provided that, such member shall pay to the retirement system, in addition to all required employee contributions, the required amount of employer contributions, plus interest, for each year of creditable service being purchased. As used in this section, the term "private school" means a school which is not a part of the public school system of the state of Missouri and which charges tuition for the rendering of elementary, secondary educational or post-secondary educational services.

6. Any active member who, voluntarily or involuntarily, enters service in the armed forces of the United States or other national defense service may, after reemployment and prior to retirement, elect to purchase and receive credit for such military service in accordance with the

rules and regulations adopted by the board of trustees and with the laws governing the reemployment rights of veterans.

7. Any active member who is granted a period of approved, unpaid leave of absence by the employer's board for academic study at a college, junior college, university or otherwise, illness or such other circumstances as may be authorized by the board of trustees, may elect to purchase and receive creditable service for such period of leave in accordance with the rules and regulations adopted by the board of trustees.

169.324. 1. The annual service retirement allowance payable pursuant to section 169.320 in equal monthly installments for life shall be the retirant's number of years of creditable service multiplied by one and three-fourths percent of the person's average final compensation, subject to a maximum of sixty percent of the person's average final compensation. For any member [retiring] **who retires as an active member** on or after June 30, 1999, the annual service retirement allowance payable pursuant to section 169.320 in equal monthly installments for life shall be the retirant's number of years of creditable service multiplied by two percent of the person's average final compensation, subject to a maximum of sixty percent of the person's average final compensation. Any member whose number of years of creditable service is greater than thirty-four and one-quarter on August 28, 1993, [that provides for the foregoing formula for determining the annual service retirement allowance] shall receive an annual service retirement allowance payable pursuant to section 169.320 in equal monthly installments for life equal to the retirant's number of years of creditable service as of August 28, 1993, multiplied by one and three-fourths percent of the person's average final compensation but shall not receive a greater annual service retirement allowance based on additional years of creditable service after August 28, 1993[, that provides for the foregoing formula for determining the annual service retirement allowance]. Provided, however, that, effective January 1, 1996, any retiree who retired on, before or after January 1, 1996, with at least twenty years of creditable service shall receive at least three hundred dollars each month as a retirement allowance, or the actuarial equivalent thereof if the retiree elected any of the options available under section 169.326. Provided, further, any retiree who retired with at least ten years of creditable service shall receive at least one hundred fifty dollars each month as a retirement allowance, plus fifteen dollars for each additional full year of creditable service greater than ten years but less than twenty years (or the actuarial equivalent thereof if the retiree elected any of the options available under section 169.326). Any beneficiary of a deceased retiree who retired with at least ten years of creditable service and elected one of the options available under section 169.326 shall also be entitled to the actuarial equivalent of the minimum benefit provided by this subsection, determined from the option chosen.

2. Except as otherwise provided in sections 169.580 and 169.585, [a retirant may not receive a retirement allowance payment in] **payment of a retirant's retirement allowance will be suspended for** any month for which such person receives remuneration from the person's

employer **or from any other employer in the retirement system established by section 169.280** for the performance of services except such person may serve as a nonregular substitute, part-time or temporary employee for not to exceed [five] **six** hundred [thirty] hours in any school year without becoming a member and without having the person's retirement allowance discontinued. **If a retirant is reemployed by any employer in any capacity, whether pursuant to this section or sections 169.580 or 169.585 or as a regular employer, the amount of such person's retirement allowance attributable to service prior to the person's first retirement date shall not be changed by the reemployment. If the person again becomes an active member and earns additional creditable service, upon the person's second retirement the person's retirement allowance shall be the sum of (1) the retirement allowance the person was receiving at the time the person's retirement allowance was suspended, under the payment option elected as of the first retirement date, plus the amount of any increase in such retirement allowance the person would have received under subsection 3 of section 169.324 had payments not been suspended during the person's reemployment; plus (2) an additional retirement allowance computed using the benefit formula in effect on the person's second retirement date, the person's creditable service following reemployment, and the person's average annual compensation as of the second retirement date; provided that the sum of (1) and (2) shall not exceed the greater of sixty percent of the person's average final compensation as of the second retirement date or the amount determined under (1). Compensation earned prior to the person's first retirement date shall be considered in determining the person's average final compensation as of the second retirement date if such compensation would otherwise be included in determining the person's average final compensation.**

3. The board of trustees shall determine annually whether the investment return on funds of the system can provide for an increase in benefits for retirants eligible for such increase. A retirant shall and will be eligible for an increase awarded pursuant to this section as of the [fourth] **second** January following the date the retirant commenced receiving retirement benefits. Any such increase shall also apply to any monthly joint and survivor retirement allowance payable to such retirant's beneficiaries, regardless of age. The board shall make such determination as follows:

(1) After determination by the actuary of the investment return for the preceding year as of December thirty-first (the "valuation year"), the actuary shall recommend to the board of trustees what portion of the investment return is available to provide such benefits increase, if any, and shall recommend the amount of such benefits increase, if any, to be implemented as of the first day of the thirteenth month following the end of the valuation year, and the first payable on or about the first day of the fourteenth month following the end of the valuation year. The actuary shall make such recommendations so as not to affect the financial soundness of the retirement system,

recognizing the following safeguards:

(a) The retirement system's funded ratio as of January first of the year preceding the year of a proposed increase shall be at least one hundred percent after adjusting for the effect of the proposed increase. The funded ratio is the ratio of assets to the pension benefit obligation;

(b) The actuarially required contribution rate, after adjusting for the effect of the proposed increase, may not exceed the statutory contribution rate;

(c) The actuary shall certify to the board of trustees that the proposed increase will not impair the actuarial soundness of the retirement system;

(d) A benefit increase, under this section, once awarded, cannot be reduced in succeeding years;

(2) The board of trustees shall review the actuary's recommendation and report and shall, in their discretion, determine if any increase is prudent and, if so, shall determine the amount of increase to be awarded.

4. This section does not guarantee an annual increase to any retiree.

5. If an inactive member again becomes an active member after June 30, 2001, and after a break in service, unless the person earns at least four additional years of creditable service without another break in service, upon retirement the person's retirement allowance shall be calculated separately for each separate period of service ending in a break in service. The retirement allowance shall be the sum of the separate retirement allowances computed for each such period of service using the benefit formula in effect and the person's average final compensation as of the last day of such period of service and the creditable service the person earned during such period of service. If, however, the person earns at least four additional years of creditable service without another break in service, all of the person's creditable service prior to and including such service shall be aggregated and, upon retirement, the retirement allowance shall be computed using the benefit formula in effect and the person's average final compensation as of the last day of such period of four or more years and all of the creditable service the person earned prior to and during such period.

6. Notwithstanding anything contained in this section to the contrary, the amount of the annual service retirement allowance payable to any retiree pursuant to the provisions of sections 169.270 to 169.400, including any adjustments made pursuant to subsection 3 of this section, shall at all times comply with the provisions and limitations of Section 415 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder, the terms of which are specifically incorporated herein by reference.

[6.] 7. All retirement systems established by the laws of the state of Missouri shall develop a procurement action plan for utilization of minority and women money managers, brokers and investment counselors. Such retirement systems shall report their progress annually to the joint

committee on public employee retirement and the governor's minority advocacy commission.

169.596. 1. Any school district with a shortage of certified teachers, as determined by the school district, and any charter school established pursuant to sections 160.400 to 160.420, RSMo, may allow retired certificated teachers from any Missouri public teacher retirement system to teach full-time for up to two years without losing his or her retirement benefits. The total number of such retired certificated teachers shall not exceed, at any one time, the greater of ten percent of the total teacher staff for that school district, or five certificated teachers.

2. Any retired certificated teacher hired pursuant to this section shall be included in the State Directory of New Hires for purposes of income and eligibility verification pursuant to 42 U.S.C. Section 1320b-7.

3. Any school district with a shortage of non-certificated employees, as determined by the school district, and any charter school established pursuant to sections 160.400 to 160.420, RSMo, may allow individuals retired pursuant to sections 169.600 to 169.715 to be employed full-time for up to two years without losing his or her retirement benefits. The total number of such retired non-certificated employees shall not exceed, at any one time, the greater of ten percent of the total non-certificated staff for that school district, or five employees.

4. No person shall be employed pursuant to this section until the affected retirement systems have implemented rules and regulations assuring that the provisions are cost-neutral and the systems remain actuarially sound.

5. All necessary costs shall be paid by the hiring school district and shall not exceed the school district's statutory cost limitations.

Section 1. Any program providing child care to preschool or school age children that is located and operated on elementary or secondary public school property shall comply with the child care licensure provisions in chapter 210, RSMo; except that, for safety, health and fire purposes, any such program shall comply with the safety, health and fire provisions required of school districts in this state in lieu of the safety, health and fire provisions of chapter 210, RSMo.

Section B. Because of the shortage of teachers in this state, the enactment of section 169.596 of this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the enactment of section 169.596 of this act shall be in full force and effect upon its passage and approval.