

SECOND EXTRAORDINARY SESSION

SENATE BILL NO. 6

92ND GENERAL ASSEMBLY

INTRODUCED BY SENATORS CHILDERS, CASKEY AND RUSSELL.

Read 1st time September 8, 2003, and ordered printed.

TERRY L. SPIELER, Secretary.

2345S.011

AN ACT

To repeal sections 50.338, 137.073, 143.151, 143.161, 160.530, 160.545, 162.081, 163.014, 163.015, 163.021, 163.022, 163.023, 163.025, 163.028, 163.031, 163.032, 163.034, 163.035, 163.161, 163.172, 168.500, 168.505, 168.510, 168.515, 168.520, 171.031, and 313.820, RSMo, and to enact in lieu thereof fourteen new sections relating to education, with a referendum clause.

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

Section A. Sections 50.338, 137.073, 143.151, 143.161, 160.530, 160.545, 162.081, 163.014, 163.015, 163.021, 163.022, 163.023, 163.025, 163.028, 163.031, 163.032, 163.034, 163.035, 163.161, 163.172, 168.500, 168.505, 168.510, 168.515, 168.520, 171.031, and 313.820, RSMo, are repealed and fourteen new sections enacted in lieu thereof, to be known as sections 50.338, 137.073, 143.013, 143.151, 143.161, 160.530, 160.545, 163.021, 163.031, 163.161, 163.172, 171.031, 313.820, and 313.855, to read as follows:

50.338. 1. In the event the reduction in the operating levy made by a school district pursuant to sections **137.073**, 144.700, 144.701, and 164.013, RSMo, causes a loss of compensation to any county or township officials, such officials shall retain, from that school district's property tax collections, an amount sufficient to offset such loss of compensation, in addition to other compensation permitted by law.

2. In the event the reduction in the operating levy made by a school district pursuant to sections **137.073**, 144.700, 144.701, and 164.013, RSMo, causes a loss of revenue to any county or township fund, an amount sufficient to offset such loss shall be retained from that school district's property tax collections and deposited to the credit of the appropriate fund.

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

3. In the event the reduction in the operating levy made by a school district pursuant to sections **137.073**, 144.700, 144.701, and 164.013, RSMo, causes a reduction in total tax collection of a county which would reduce the commissions of any county or township official, the amount of school taxes used in determining the total amount levied and in computing such commission shall include the amount by which the total amount levied is reduced by each school district in the current tax year pursuant to sections **137.073**, 144.700, 144.701, and 164.013, RSMo.

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

(1) "General reassessment", changes in value, entered in the assessor's books, of a substantial portion of the parcels of real property within a county resulting wholly or partly from reappraisal of value or other actions of the assessor or county equalization body or ordered by the state tax commission or any court;

(2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each purpose of taxation of property a taxing authority is authorized to levy without a vote and any tax rate authorized by election, including bond interest and sinking fund;

(3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the provisions of this section or when a court has determined the tax rate; except that, other provisions of law to the contrary notwithstanding, a school district may levy the operating levy for school purposes required for the current year pursuant to subsection 2 of section 163.021, RSMo, less all adjustments required pursuant to article X, section 22 of the Missouri Constitution, if such tax rate does not exceed the highest tax rate in effect subsequent to the 1980 tax year. This is the maximum tax rate that may be levied, unless a higher tax rate ceiling is approved by voters of the political subdivision as provided in this section;

(4) "Tax revenue", when referring to the previous year, means the actual receipts from ad valorem levies on all classes of property, including state-assessed property, in the immediately preceding fiscal year of the political subdivision, plus an allowance for taxes billed but not collected in the fiscal year and plus an additional allowance for the revenue which would have been collected from property which was annexed by such political subdivision but which was not previously used in determining tax revenue pursuant to this section. The term "tax revenue" shall not include any receipts from ad valorem levies on any property of a railroad corporation or a public utility, as these terms are defined in section 386.020, RSMo, which were assessed by the assessor of a county or city in the previous year but are assessed by the state tax commission in the current year. All school districts and those counties levying sales taxes pursuant to chapter 67, RSMo, shall include in the calculation of tax revenue an amount equivalent to that by which they reduced property tax levies as a result of sales tax pursuant to section 67.505, RSMo, and section 164.013, RSMo, in the immediately preceding fiscal year but not including any amount calculated to adjust for prior years. For purposes of political subdivisions which were

authorized to levy a tax in the prior year but which did not levy such tax or levied a reduced rate, the term "tax revenue", as used in relation to the revision of tax levies mandated by law, shall mean the revenues equal to the amount that would have been available if the voluntary rate reduction had not been made.

2. Whenever changes in assessed valuation are entered in the assessor's books for any personal property, in the aggregate, or for any subclass of real property as such subclasses are established in section 4(b) of article X of the Missouri Constitution and defined in section 137.016, the county clerk in all counties and the assessor of St. Louis City shall notify each political subdivision wholly or partially within the county or St. Louis City of the change in valuation of each subclass of real property, individually, and personal property, in the aggregate, exclusive of new construction and improvements. All political subdivisions shall immediately revise the applicable rates of levy for each purpose for each subclass of real property, individually, and personal property, in the aggregate, for which taxes are levied to the extent necessary to produce from all taxable property, exclusive of new construction and improvements, substantially the same amount of tax revenue as was produced in the previous year for each subclass of real property, individually, and personal property, in the aggregate, except that the rate may not exceed the greater of the rate in effect in the 1984 tax year or the most recent voter-approved rate. Such tax revenue shall not include any receipts from ad valorem levies on any real property which was assessed by the assessor of a county or city in such previous year but is assessed by the assessor of a county or city in the current year in a different subclass of real property. Where the taxing authority is a school district for the purposes of revising the applicable rates of levy for each subclass of real property, the tax revenues from state-assessed railroad and utility property shall be apportioned and attributed to each subclass of real property based on the percentage of the total assessed valuation of the county that each subclass of real property represents in the current taxable year. As provided in section 22 of article X of the constitution, a political subdivision may also revise each levy to allow for inflationary assessment growth occurring within the political subdivision. The inflationary growth factor shall be limited to the actual assessment growth in the aggregate for the political subdivision, exclusive of new construction and improvements, but not to exceed the consumer price index or five percent, whichever is lower. Should the tax revenue of a political subdivision from the various tax rates determined in this subsection be different than the tax revenue that would have been determined from a single tax rate as calculated pursuant to the method of calculation in this subsection prior to January 1, 2003, then the political subdivision shall revise the tax rates of those subclasses of real property, individually, and/or personal property, in the aggregate, in which there is a tax rate reduction, pursuant to the provisions of this subsection. Such revision shall yield an amount equal to such difference and shall be apportioned among such subclasses of real property, individually, and/or personal property, in the aggregate, as per the relative tax

rate reduction of such subclasses of real property, individually, and/or personal property, in the aggregate.

3. (1) Where the taxing authority is a school district, it shall be required to revise the rates of levy to the extent necessary to produce from all taxable property, including state-assessed railroad and utility property, which shall be separately estimated in addition to other data required in complying with section 164.011, RSMo, substantially the amount of tax revenue permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be adjusted to offset such district's reduction in the apportionment of state school moneys due to its reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling pursuant to this section, requiring the estimating of effects of state-assessed railroad and utility valuation or loss of state aid, discovers that the estimates used result in receipt of excess revenues, which would have required a lower rate if the actual information had been known, the school district shall reduce the tax rate ceiling in the following year to compensate for the excess receipts, and the recalculated rate shall become the tax rate ceiling for purposes of this section.

(2) For any political subdivision which experiences a reduction in the amount of assessed valuation relating to a prior year, due to decisions of the state tax commission or a court pursuant to sections 138.430 to 138.433, RSMo, or due to clerical errors or corrections in the calculation or recordation of any assessed valuation:

(a) Such political subdivision may revise the tax rate ceiling for each purpose it levies taxes to compensate for the reduction in assessed value occurring after the political subdivision calculated the tax rate ceiling for the particular subclass of real property or for personal property, in the aggregate, in the prior year. Such revision by the political subdivision shall be made at the time of the next calculation of the tax rate for the particular subclass of real property or for personal property, in the aggregate, after the reduction in assessed valuation has been determined and shall be calculated in a manner that results in the revised tax rate ceiling being the same as it would have been had the corrected or finalized assessment been available at the time of the prior calculation;

(b) In addition, for up to three years following the determination of the reduction in assessed valuation as a result of circumstances defined in this subdivision, such political subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to receive for the three-year period preceding such determination.

4. (1) In order to implement the provisions of this section and section 22 of article X of the Constitution of Missouri, the term "improvements" shall apply to both real and personal property. In order to determine the value of new construction and improvements, each county assessor shall maintain a record of real property valuations in such a manner as to identify each

year the increase in valuation for each political subdivision in the county as a result of new construction and improvements. The value of new construction and improvements shall include the additional assessed value of all improvements or additions to real property which were begun after and were not part of the prior year's assessment, except that the additional assessed value of all improvements or additions to real property which had been totally or partially exempt from ad valorem taxes pursuant to sections 99.800 to 99.865, RSMo, sections 135.200 to 135.255, RSMo, and section 353.110, RSMo, shall be included in the value of new construction and improvements when the property becomes totally or partially subject to assessment and payment of all ad valorem taxes. The aggregate increase in valuation of personal property for the current year over that of the previous year is the equivalent of the new construction and improvements factor for personal property. The assessor shall certify the amount of new construction and improvements for each political subdivision to the county clerk in order that political subdivisions shall have this information for the purpose of calculating tax rates pursuant to this section and section 22, article X, Constitution of Missouri. In addition, the state tax commission shall certify each year to each county clerk the increase in the general price level as measured by the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency. The state tax commission shall certify the increase in such index on the latest twelve-month basis available on June first of each year over the immediately preceding prior twelve-month period in order that political subdivisions shall have this information available in setting their tax rates according to law and section 22 of article X of the Constitution of Missouri. For purposes of implementing the provisions of this section and section 22 of article X of the Missouri Constitution, the term "property" means all taxable property, including state assessed property.

(2) Each political subdivision required to revise rates of levy pursuant to this section or section 22 of article X of the Constitution of Missouri shall calculate each tax rate it is authorized to levy and, in establishing each tax rate, shall consider each provision for tax rate revision provided in this section and section 22 of article X of the Constitution of Missouri, separately and without regard to annual tax rate reductions provided in section 67.505, RSMo, and section 164.013, RSMo. Each political subdivision shall set each tax rate it is authorized to levy using the calculation that produces the lowest tax rate ceiling. It is further the intent of the general assembly, pursuant to the authority of section 10(c) of article X of the Constitution of Missouri, that the provisions of such section be applicable to tax rate revisions mandated pursuant to section 22 of article X of the Constitution of Missouri as to reestablishing tax rates as revised in subsequent years, enforcement provisions, and other provisions not in conflict with section 22 of article X of the Constitution of Missouri. Annual tax rate reductions provided in section 67.505, RSMo, and section 164.013, RSMo, shall be applied to the tax rate as established pursuant to this section and section 22 of article X of the Constitution of Missouri, unless otherwise provided by

law.

5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section shall not be increased unless approved by a vote of the people. Approval of the higher tax rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval by more than a simple majority pursuant to any provision of law or the constitution, the tax rate increase must receive approval by at least the majority required.

(2) When voters approve an increase in the tax rate, the amount of the increase shall be added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate for approval rather than describing the amount of increase in the question, the stated tax rate approved shall be the current tax rate ceiling. The increased tax rate ceiling as approved may be applied to the total assessed valuation of the political subdivision at the setting of the next tax rate.

(3) The governing body of any political subdivision may levy a tax rate lower than its tax rate ceiling and may increase that lowered tax rate to a level not exceeding the tax rate ceiling without voter approval.

(4) In a year of general reassessment, a governing body whose tax rate is lower than its tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this section as if its tax rate were at the tax rate ceiling. In a year following general reassessment, if such governing body intends to increase its tax rate, the governing body shall conduct a public hearing, and in a public meeting it shall adopt an ordinance, resolution or policy statement justifying its action prior to setting and certifying its tax rate. The provisions of this subdivision shall not apply to a taxing jurisdiction which receives some portion of its funding pursuant to chapter 163, RSMo.

6. (1) For the purposes of calculating state aid for public schools pursuant to section 163.031, RSMo, each taxing authority which is a school district shall determine its proposed tax rate as a blended rate of the classes or subclasses of property. Such blended rate shall be calculated by first determining the total tax revenue of the property within the jurisdiction of the taxing authority, which amount shall be equal to the sum of the products of multiplying the assessed valuation of each class and subclass of property by the corresponding tax rate for such class or subclass, then dividing the total tax revenue by the total assessed valuation of the same jurisdiction, and then multiplying the resulting quotient by a factor of one-hundred. Where the taxing authority is a school district, such blended rate shall also be used by such school district for calculating revenue from state-assessed railroad and utility property as defined in chapter 151, RSMo, and for apportioning the tax rate by purpose.

(2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk of the county commission in the county or counties where the tax rate applies of its tax rate

ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then one/one-hundredth of a cent. If a taxing authority shall round to one/one-hundredth of a cent, it shall round up a fraction greater than or equal to five/one-thousandth of one cent to the next higher one/one-hundredth of a cent; if a taxing authority shall round to one-tenth of a cent, it shall round up a fraction greater than or equal to five/one-hundredths of a cent to the next higher one-tenth of a cent. Any taxing authority levying a property tax rate shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating such tax rate complies with Missouri law. In addition, each taxing authority proposing to levy a tax rate for debt service shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed for annual debt service requirements will be prima facie valid if, after making the payment for which the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed the following year's payments. The county clerk shall keep on file and available for public inspection all such information for a period of three years. The clerk shall, within three days of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling and proposed tax rate and any substantiating data to the state auditor. The state auditor shall, within fifteen days of the date of receipt, examine such information and return to the county clerk his or her findings as to compliance of the tax rate ceiling with this section and as to compliance of any proposed tax rate for debt service with Missouri law. If the state auditor believes that a taxing authority's proposed tax rate does not comply with Missouri law, then the state auditor's findings shall include a recalculated tax rate, and the state auditor may request a taxing authority to submit documentation supporting such taxing authority's proposed tax rate. The county clerk shall immediately forward a copy of the auditor's findings to the taxing authority and shall file a copy of the findings with the information received from the taxing authority. The taxing authority shall have fifteen days from the date of receipt from the county clerk of the state auditor's findings and any request for supporting documentation to accept or reject in writing the rate change certified by the state auditor and to submit all requested information to the state auditor. A copy of the taxing authority's acceptance or rejection and any information submitted to the state auditor shall also be mailed to the county clerk. If a taxing authority rejects a rate change certified by the state auditor and the state auditor does not receive supporting information which justifies the taxing authority's original or any subsequent proposed tax rate, then the state auditor shall refer the perceived violations of such taxing authority to the attorney general's office and the attorney general is authorized to obtain injunctive relief to prevent the taxing authority from levying a violative tax rate.

(3) For the next annual property tax levy following the effective date of this act, the school district operating levy, as authorized pursuant to section 137.035, in

every school district in this state shall be reduced by one dollar and forty-five cents per one hundred dollars assessed valuation of the district, however, no operating levy for school purposes shall be reduced below the minimum levy required pursuant to section 163.021, RSMo. An equivalent reduction in the tax rate ceiling shall accompany this levy reduction.

7. No tax rate shall be extended on the tax rolls by the county clerk unless the political subdivision has complied with the foregoing provisions of this section.

8. Whenever a taxpayer has cause to believe that a taxing authority has not complied with the provisions of this section, the taxpayer may make a formal complaint with the prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action within ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to this section and institute an action as representative of a class of all taxpayers within a taxing authority if the class is so numerous that joinder of all members is impracticable, if there are questions of law or fact common to the class, if the claims or defenses of the representative parties are typical of the claims or defenses of the class, and if the representative parties will fairly and adequately protect the interests of the class. In any class action maintained pursuant to this section, the court may direct to the members of the class a notice to be published at least once each week for four consecutive weeks in a newspaper of general circulation published in the county where the civil action is commenced and in other counties within the jurisdiction of a taxing authority. The notice shall advise each member that the court will exclude him or her from the class if he or she so requests by a specified date, that the judgment, whether favorable or not, will include all members who do not request exclusion, and that any member who does not request exclusion may, if he or she desires, enter an appearance. In any class action brought pursuant to this section, the court, in addition to the relief requested, shall assess against the taxing authority found to be in violation of this section the reasonable costs of bringing the action, including reasonable attorney's fees, provided no attorney's fees shall be awarded any attorney or association of attorneys who receive public funds from any source for their services. Any action brought pursuant to this section shall be set for hearing as soon as practicable after the cause is at issue.

9. If in any action, including a class action, the court issues an order requiring a taxing authority to revise the tax rates as provided in this section or enjoins a taxing authority from the collection of a tax because of its failure to revise the rate of levy as provided in this section, any taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her taxes in part, whether or not the taxes are paid under protest as provided in section 139.031, RSMo. The part of the taxes paid erroneously is the difference in the amount produced by the original levy and the amount produced by the revised levy. The township or county collector of taxes or the collector of taxes in any city shall refund the amount of the tax erroneously

paid. The taxing authority refusing to revise the rate of levy as provided in this section shall make available to the collector all funds necessary to make refunds pursuant to this subsection. No taxpayer shall receive any interest on any money erroneously paid by him or her pursuant to this subsection. Effective in the 1994 tax year, nothing in this section shall be construed to require a taxing authority to refund any tax erroneously paid prior to or during the third tax year preceding the current tax year.

10. A taxing authority, including but not limited to a township, county collector, or collector of taxes, responsible for determining and collecting the amount of residential real property tax levied in its jurisdiction, shall report such amount of tax collected by December thirty-first of each year such property is assessed to the state tax commission. The state tax commission shall compile the tax data by county or taxing jurisdiction and submit a report to the general assembly no later than January thirty-first of the following year.

143.013. For all taxable years beginning on or after the January 1 following the effective date of this act, a tax of two and nine-tenths percent is hereby imposed for every taxable year on the Missouri taxable income over nine thousand dollars of every individual taxpayer. This tax shall be in addition to the tax levied pursuant to section 143.011 and shall be collected in accordance with the procedures set forth in this chapter. The revenue from this additional tax shall be utilized to fund the public schools of this state pursuant to section 163.031, RSMo.

143.151. For all taxable years beginning before January 1, 1999, a resident shall be allowed a deduction of one thousand two hundred dollars for himself or herself and one thousand two hundred dollars for his or her spouse if he or she is entitled to a deduction for such personal exemptions for federal income tax purposes. For all taxable years beginning on or after January 1, 1999, a resident shall be allowed a deduction of two thousand one hundred dollars for himself or herself and two thousand one hundred dollars for his or her spouse if he or she is entitled to a deduction for such personal exemptions for federal income tax purposes. **For all taxable years beginning on or after the January 1 following the effective date of this act, a resident shall be allowed a deduction of three thousand dollars for himself or herself and three thousand dollars for his or her spouse if he or she is entitled to a deduction for such personal exemptions for federal income tax purposes.**

143.161. 1. For all taxable years beginning after December 31, 1997, a resident may deduct one thousand two hundred dollars for each dependent for whom such resident is entitled to a dependency exemption deduction for federal income tax purposes. In the case of a dependent who has attained sixty-five years of age on or before the last day of the taxable year, if such dependent resides in the taxpayer's home or the dependent's own home or if such dependent does not receive Medicaid or state funding while residing in a facility licensed pursuant to chapter 198, RSMo, the taxpayer may deduct an additional one thousand dollars.

2. For all taxable years beginning before January 1, 1999, a resident who qualifies as an unmarried head of household or as a surviving spouse for federal income tax purposes may deduct an additional eight hundred dollars. For all taxable years beginning on or after January 1, 1999, a resident who qualifies as an unmarried head of household or as a surviving spouse for federal income tax purposes may deduct an additional one thousand four hundred dollars. **For all taxable years beginning on or after the January 1 following the effective date of this act, a resident who qualifies as an unmarried head of household or as a surviving spouse for federal income tax purposes may deduct an additional one thousand five hundred dollars.**

160.530. 1. Beginning with fiscal year 1994 [and for all fiscal years thereafter], in order to be eligible for state aid distributed pursuant to section 163.031, RSMo, a school district shall allocate one percent of moneys received pursuant to section 163.031, RSMo, exclusive of categorical add-ons, to the professional development committee of the district as established in subdivision (1) of subsection 4 of section 168.400, RSMo. **Beginning with fiscal year 2004, and for all fiscal years thereafter, in order to be eligible for state aid distributed pursuant to section 163.031, RSMo, a school district shall allocate one-quarter of one percent of moneys received pursuant to section 163.031, RSMo, exclusive of categorical add-ons, to the professional development committee of the district as established in subdivision (1) of subsection 4 of section 168.400, RSMo.** Of the moneys allocated to the professional development committee in any fiscal year as specified by this subsection, seventy-five percent of such funds shall be spent in the same fiscal year for purposes determined by the professional development committee after consultation with the administrators of the school district and approved by the local board of education as meeting the objectives of a school improvement plan of the district that has been developed by the local board. Moneys expended for staff training pursuant to any provisions of this act shall not be considered in determining the requirements for school districts imposed by this subsection.

2. Beginning with fiscal year 1994 [and for all fiscal years thereafter], ninety percent of one percent of moneys appropriated to the department of elementary and secondary education otherwise distributed to the public schools of the state pursuant to the provisions of section 163.031, RSMo, exclusive of categorical add-ons, shall be distributed by the commissioner of education to address statewide areas of critical need for learning and development as determined by rule and regulation of the state board of education with the advice of the commission established by section 160.510 and the advisory council provided by subsection 1 of section 168.015, RSMo. **Beginning with fiscal year 2004, and for all fiscal years thereafter, one-fourth of one percent of moneys appropriated to the department of elementary and secondary education otherwise distributed to the public schools of the state pursuant to the provisions of section 163.031, RSMo, exclusive of categorical add-ons, shall be**

distributed by the commissioner of education to address statewide areas of critical need for learning and development as determined by rule and regulation of the state board of education with the advice of the commission established by section 160.510 and the advisory council provided by subsection 1 of section 168.015, RSMo. The moneys described in this subsection may be distributed by the commissioner of education to colleges, universities, private associations, professional education associations, statewide associations organized for the benefit of members of boards of education, public elementary and secondary schools, and other associations and organizations that provide professional development opportunities for teachers, administrators, family literacy personnel and boards of education for the purpose of addressing statewide areas of critical need[, provided that subdivisions (1), (2) and (3) of this subsection shall constitute priority uses for such moneys]. "Statewide areas of critical need for learning and development" shall include:

(1) [Funding the operation of state management teams in districts with academically deficient schools and providing resources specified by the management team as needed in such districts;

(2) Funding for grants to districts, upon application to the department of elementary and secondary education, for resources identified as necessary by the district, for those districts which are failing to achieve assessment standards;

(3)] Funding for family literacy programs;

[(4)] (2) Ensuring that all children, especially children at risk, children with special needs, and gifted students are successful in school;

[(5)] (3) Increasing parental involvement in the education of their children;

[(6) Providing information which will assist public school administrators and teachers in understanding the process of site-based decision making;

(7) Implementing recommended curriculum frameworks as outlined in section 160.514;

(8) Training in new assessment techniques for students;

(9) Cooperating with law enforcement authorities to expand successful antidrug programs for students;

(10) Strengthening existing curricula of local school districts to stress drug and alcohol prevention;

(11)] (4) Implementing and promoting programs to combat gang activity in urban areas of the state; **and**

[(12) Establishing family schools, whereby such schools adopt proven models of one-stop state services for children and families;

(13) Expanding adult literacy services; and

(14)] (5) Training of members of boards of education in the areas deemed important for the training of effective board members as determined by the state board of education.

3. Beginning with fiscal year 1994 and for all fiscal years thereafter, ten percent of one percent of moneys appropriated to the department of elementary and secondary education otherwise distributed to the public schools of the state pursuant to the provisions of section 163.031, RSMo, exclusive of categorical add-ons, shall be distributed in grant awards by the state board of education, by rule and regulation, for the "Success Leads to Success" grant program, which is hereby created. The purpose of the success leads to success grant program shall be to recognize, disseminate and exchange information about the best professional teaching practices and programs in the state that address student needs, and to encourage the staffs of schools with these practices and programs to develop school-to-school networks to share these practices and programs. **Beginning with fiscal year 2004, and for all fiscal years thereafter, in order to be eligible for state aid distributed pursuant to section 163.031, RSMo, a school district shall allocate ten percent of the one-fourth of one percent of moneys appropriated to the department of elementary and secondary education otherwise distributed to the public schools of the state pursuant to the provisions of section 163.031, RSMo, exclusive of categorical add-ons, to grant awards for the success leads to success grant program.**

160.545. 1. There is hereby established within the department of elementary and secondary education the "A+ Schools Program" to be administered by the commissioner of education. The program shall consist of grant awards made to public secondary schools that demonstrate a commitment to ensure that:

- (1) All students be graduated from school;
- (2) All students complete a selection of high school studies that is challenging and for which there are identified learning expectations; and
- (3) All students proceed from high school graduation to a college or postsecondary vocational or technical school or high-wage job with work place skill development opportunities.

2. The state board of education shall promulgate rules and regulations for the approval of grants made under the program to schools that:

- (1) Establish measurable districtwide performance standards for the goals of the program outlined in subsection 1 of this section; and
- (2) Specify the knowledge, skills and competencies, in measurable terms, that students must demonstrate to successfully complete any individual course offered by the school, and any course of studies which will qualify a student for graduation from the school; and
- (3) Do not offer a general track of courses that, upon completion, can lead to a high school diploma; and
- (4) Require rigorous coursework with standards of competency in basic academic subjects for students pursuing vocational and technical education as prescribed by rule and regulation of the state board of education; and

(5) Have a partnership plan developed in cooperation and with the advice of local business persons, labor leaders, parents, and representatives of college and postsecondary vocational and technical school representatives, with the plan then approved by the local board of education. The plan shall specify a mechanism to receive information on an annual basis from those who developed the plan in addition to senior citizens, community leaders, and teachers to update the plan in order to best meet the goals of the program as provided in subsection 1 of this section. Further, the plan shall detail the procedures used in the school to identify students that may drop out of school and the intervention services to be used to meet the needs of such students. The plan shall outline counseling and mentoring services provided to students who will enter the work force upon graduation from high school, address apprenticeship and intern programs, and shall contain procedures for the recruitment of volunteers from the community of the school to serve in schools receiving program grants.

3. By rule and regulation, the state board of education may determine a local school district variable fund match requirement in order for a school or schools in the district to receive a grant under the program. However, no school in any district shall receive a grant under the program unless the district designates a salaried employee to serve as the program coordinator, with the district assuming a minimum of one-half the cost of the salary and other benefits provided to the coordinator. Further, no school in any district shall receive a grant under the program unless the district makes available facilities and services for adult literacy training as specified by rule of the state board of education.

4. For any school that meets the requirements for the approval of the grants authorized by this section and specified in subsection 2 of this section for three successive school years, by August first following the third such school year, the commissioner of education shall present a plan to the superintendent of the school district in which such school is located for the waiver of rules and regulations to promote flexibility in the operations of the school and to enhance and encourage efficiency in the delivery of instructional services in the school. 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 in the school. 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 related to the authority of the state board of education to classify school districts pursuant to subdivision (9) of section 161.092, RSMo, and such other rules and regulations as determined by the commissioner of education, except such waivers shall be confined to the school and not other schools in the school district unless such other schools meet the requirements of this subsection. However, any waiver provided to any school as outlined in this subsection shall be void on June thirtieth of any school year in which the school fails to meet the requirements for the approval of the grants authorized by this section as specified in subsection 2 of this section.

5. For any school year, grants authorized by subsections 1 to 3 of this section shall be funded with the amount appropriated for this program, less those funds necessary to reimburse eligible students pursuant to subsection 6 of this section.

6. The commissioner of education shall, by rule and regulation of the state board of education and with the advice of the coordinating board for higher education, establish a procedure for the reimbursement of the cost of tuition[, books and fees] to any public community college or vocational or technical school for any student:

(1) Who has attended a public high school in the state for at least three years immediately prior to graduation that meets the requirements of subsection 2 of this section, except that students who are active duty military dependents who, in the school year immediately preceding graduation, meet all other requirements of this subsection and are attending a school that meets the requirements of subsection 2 of this section shall be exempt from the three-year attendance requirement of this subdivision; and

(2) Who has made a good faith effort to first secure all available federal sources of funding that could be applied to the reimbursement described in this subsection; and

(3) Who has earned a minimal grade average while in high school as determined by rule of the state board of education, and other requirements for the reimbursement authorized by this subsection as determined by rule and regulation of said board; **and**

(4) Who has taken the ACT assessment examination.

7. 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.

163.021. [1.] A school district shall receive state aid for its education program only if it:

(1) Provides for a minimum of one hundred seventy-four days and one thousand [forty-four] **two hundred** hours of actual pupil attendance in a term scheduled by the board pursuant to section 160.041, RSMo, for each pupil or group of pupils, except that the board shall provide a minimum of one hundred seventy-four days and [five] **six** hundred [twenty-two] hours of actual pupil attendance in a term for kindergarten pupils. If any school is dismissed because of inclement weather after school has been in session for three hours, that day shall count as a school day including afternoon session kindergarten students. When the aggregate hours lost in a term due to inclement weather decreases the total hours of the school term below the required minimum number of hours by more than twelve hours for all-day students or six hours for one-half-day kindergarten students, all such hours below the minimum must be made up in one-half day or full day additions to the term, except as provided in section 171.033, RSMo;

(2) Maintains adequate and accurate records of attendance, personnel and finances, as required by the state board of education, which shall include the preparation of a financial

statement which shall be submitted to the state board of education the same as required by the provisions of section 165.111, RSMo, for districts;

(3) Levies [an operating levy for school purposes] **a school district operating levy as authorized pursuant to section 137.035, RSMo**, of not less than one dollar [and twenty-five cents] after all adjustments and reductions on each one hundred dollars assessed valuation of the district, **except that any district which is required pursuant to Article X, section 22 of the Missouri Constitution, to reduce its operating levy below the minimum tax rate otherwise required pursuant to this subdivision shall not be construed to be in violation of this subdivision for making such tax rate reduction;**

(4) Computes average daily attendance as defined in subdivision (2) of section 163.011 as modified by section 171.031, RSMo. Whenever there has existed within the district an infectious disease, contagion, epidemic, plague or similar condition whereby the school attendance is substantially reduced for an extended period in any school year, the apportionment of school funds and all other distribution of school moneys shall be made on the basis of the school year next preceding the year in which such condition existed; and

(5) Conforms with the uniform starting date set by the department of elementary and secondary education pursuant to section 171.031, RSMo.

[2. Beginning with the tax year which commences January 1, 1998, and for the 1998-99 school year and subsequent tax and school years, no school district shall receive more state aid, as calculated under section 163.031 for its education program, exclusive of categorical add-ons, than it received per eligible pupil for the school year 1993-94, unless it has an operating levy for school purposes, as determined pursuant to section 163.011, of not less than two dollars and seventy-five cents after all adjustments and reductions, with no more than ten cents of this tax rate levied in the debt service and capital projects funds and eligible for entry on line 1 of the state school aid formula contained in subsection 6 of section 163.031; except that, beginning in the 1997-98 school year, any district which is required, pursuant to article X, section 22 of the Missouri Constitution, to reduce its operating levy below the minimum tax rate otherwise required under this subsection shall not be construed to be in violation of this subsection for making such tax rate reduction. Pursuant to section 10(c) of article X of the state constitution, a school district may levy the operating levy for school purposes required by this subsection less all adjustments required pursuant to article X, section 22 of the Missouri Constitution if such rate does not exceed the highest tax rate in effect subsequent to the 1980 tax year. Nothing in this section shall be construed to mean that a school district is guaranteed to receive an amount not less than the amount the school district received per eligible pupil for the school year 1990-91. The provisions of this subsection shall not apply to any school district located in a county of the second classification which has a nuclear power plant located in such district or to any school district located in a county of the third classification which has an electric power

generation unit with a rated generating capacity of more than one hundred fifty megawatts which is owned or operated or both by a rural electric cooperative except that such school districts may levy for current school purposes and capital projects an operating levy not to exceed two dollars and seventy-five cents less all adjustments required pursuant to article X, section 22 of the Missouri Constitution.

3. No school district shall receive more state aid, as calculated in section 163.031, for its education program, exclusive of categorical add-ons, than it received per eligible pupil for the school year 1993-1994, if the state board of education determines that the district was not in compliance in the preceding school year with the requirements of section 163.172, until such time as the board determines that the district is again in compliance with the requirements of section 163.172.

4. The department of elementary and secondary education shall evaluate the correlation between district tax rates and district assessed valuation per pupil following each biennial property tax reassessment and shall report its findings to the governor and the general assembly by December first of the year following each reassessment. The findings shall include a calculation of the minimum required property tax rate necessary to maintain a correlation of zero or less between district property tax rate and district assessed valuation per pupil and a report of assessed valuation per pupil and district property tax rate for all districts.

5. No school district shall receive state aid, pursuant to section 163.031, if such district was not in compliance, during the preceding school year, with the requirement, established pursuant to section 160.530, RSMo, to allocate revenue to the professional development committee of the district.

6. No school district shall receive more state aid, as calculated in section 163.031, for its education program, exclusive of categorical add-ons, than it received per eligible pupil for the school year 1993-1994, if the district did not comply in the preceding school year with the requirements of subsection 7 of section 163.031.

7. No school district shall receive state aid, pursuant to section 163.031, if the district failed to make a required payment in the preceding year to the school building revolving fund pursuant to section 166.300, RSMo.]

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 costs of adopting and providing a violence prevention program pursuant to section 161.650, RSMo, multiplied by the proration factor; 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 free and reduced lunch eligible pupil count for the district, as defined in section 163.011, multiplied by twenty percent, for a district with an operating levy in excess of two dollars and seventy-five cents per one hundred dollars assessed valuation, or twenty-two percent, otherwise times the guaranteed tax base per eligible pupil times two dollars and seventy-five cents per one hundred dollars assessed valuation times the proration factor plus the free and reduced lunch eligible pupil count for the district, as defined in section 163.011, 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) 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 line 14 of subsection 6 of this section, 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 plus the amount of line 14 per eligible pupil that exceeds the line 14 per pupil amount from the 1997-98 school year, or the revenue per eligible pupil received by a district in the 1992-93 school year from the foundation formula entitlement payment amount plus the amount of line 14(a) per eligible pupil times the quotient of line 1 minus line 10, divided by the number of eligible pupils, or zero if line 1 minus line 10 is less than zero, divided by the revenue per eligible pupil received by the district in the 1992-93 school year from the foundation formula entitlement payment amount, whichever is greater. 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.

(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(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 per EP) \$.....
- 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(a). Free and reduced lunch eligible pupil count for the district, as defined in section 163.011, x .20, if operating levy in excess of \$2.75, or .22, otherwise x GTB per EP x \$2.75 per \$100 AV x proration \$.....
- 14(b). Free and reduced lunch eligible pupil count for the district, as defined in section 163.011 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 FY 1998 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. In addition to the penalty for line 14 described in subsection 6 of this section, beginning in school year 2004-05, any increase in a school district's funds received pursuant to line 14 of subsection 6 of this section over the 1997-98 school year shall be reduced by one percent for each full percentage point the percentage of the district's pupils scoring at or above five percent below the statewide average level on either mathematics or reading is less than sixty-five percent.

9. If a school district's annual audit discloses that students were inappropriately identified as eligible for free or reduced-price lunch and the district does not resolve the audit finding, the department of elementary and secondary education shall require that the amount of line 14 aid paid on the inappropriately identified pupils be repaid by the district in the next school year and shall additionally impose a penalty of one hundred percent of the line 14 aid paid on such pupils, which penalty shall also be paid within the next school year. Such amounts may be repaid by the district through the withholding of the amount of state aid.] **All moneys appropriated for the public schools of this state shall be evenly distributed among the public schools of this state based on average daily attendance for the previous school year, as the term "average daily attendance" is defined in section 163.011, except as specified in subsections 2 to 4 of this section. In order to be eligible to receive such funds, school districts must meet the requirements of section 163.021.**

2. School districts which meet the requirements of section 163.021 shall receive the sum of sixty-five percent of the district allowable transportation costs pursuant to section 163.161.

3. School districts which meet the requirements of section 163.021 shall receive the sum of seventy-five percent of all special education approved or allowed cost for the district, provided for by section 162.975, RSMo.

4. School districts which meet the requirements of section 163.021 shall receive the sum of seventy-five percent of the district gifted education approved or allowable cost entitlement as determined pursuant to section 162.975, RSMo.

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] **sixty-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 determine public school district route approval procedures to be used by each public school district board of education to approve all bus routes or portions of routes and determine the total miles each public school district needs for safe and cost-efficient transportation of the pupils and the state board of education shall determine allowable costs. 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] **sixty-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] **sixty-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] **sixty-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.

163.172. 1. In school year 1994-95 [and thereafter], the minimum teacher's salary shall be eighteen thousand dollars. **Beginning in school year 2004-2005 and thereafter, the**

minimum teacher's salary shall be twenty-six thousand dollars. Beginning in school year 2004-2005, any teacher with at least five years teaching experience in a public school or combination of public schools, the minimum salary shall be thirty-two thousand dollars. Beginning in the school year 1996-97, for any full-time teacher with a master's degree and at least [ten] **fifteen** years teaching experience in a public school or combination of public schools, the minimum salary shall be [twenty-four] **forty** thousand dollars.

2. Beginning with the budget requests for fiscal year 1991, the commissioner of education shall present to the appropriate committees of the general assembly information on the average Missouri teacher's salary, regional average salary data, and national average salary data.

3. All school salary information shall be public information.

4. As used in this section, the term "salary" shall be defined as the salary figure which appears on the teacher's contract and as determined by the local school district's basic salary schedule and does not include supplements for extra duties.

5. The minimum salary for any fully certificated teacher employed on a less than full-time basis by a school district, state school for the severely handicapped, the Missouri School for the Deaf, or the Missouri School for the Blind shall be prorated to reflect the amounts provided in subsections 1 and 2 of this section.

6. Beginning with the 1996-97 school year, the general assembly shall make an annual appropriation to the excellence in education fund established in section 160.268, RSMo, for the purpose of fulfilling the minimum salary requirements for public school teachers in those districts meeting the qualifications established in subsection 7 of this section. The appropriation shall be sufficient to ensure that all qualifying districts are able to comply with the minimum salary requirements of this section. The department of elementary and secondary education shall determine, prior to each school year, those districts which shall be eligible to receive funds in this subsection during the school year. [A qualifying district shall be eligible to receive funds appropriated in this subsection only during the first three years following the district's qualifying for such funds.]

7. To qualify to begin receiving funds in subsection 6 of this section, a school district shall [meet all of the following criteria:

(1) A portion of the real property of the district shall have been removed from the tax rolls due to the impact of state or federal government action;

(2) The district shall have received no more state aid on a per pupil basis for each of the last three school years, exclusive of categorical funding, than the district received for the 1992-93 school year;

(3) The salaries paid to all teachers in the district for the school year prior to qualification shall be totally compacted at the eighteen thousand dollar per year minimum established in this section;

(4) The district shall have in its employ for the school year prior to qualification one or more teachers with a master's degree and at least ten years' teaching experience in a public school or a combination of public schools;

(5) The district shall be financially distressed or have a history of deficit spending which, if continued, will cause the district to become financially distressed within three years;

(6) The district had an enrollment of no greater than four hundred pupils for the preceding school year; and

(7) The district shall have levied an operating levy for school purposes of not less than two dollars seventy-five cents per one hundred dollars of assessed valuation for the previous year and shall continue to levy at no less than that rate] **have had an enrollment of no greater than three hundred pupils for the preceding school year.**

8. For any school year in which a school district receives funds pursuant to subsections 6 and 7 of this section, such school district shall continue to expend on teacher salaries no less than the amount it expended on teacher salaries in the school year immediately prior to the school year in which it first receives such funds.

9. No school district receiving funds pursuant to [subsections 6 and 7] **subsection 6** of this section shall receive additional funds pursuant to subsection 6 of this section by virtue of the annexation of another school district to such school district during or after the school year immediately prior to the school year in which the annexing district first receives such funds; nor shall any school district annexed to a school district receiving funds pursuant to [subsections 6 and 7] **subsection 6** of this section also receive funds pursuant to subsection 6 of this section by virtue of such annexation if such annexation occurred during or after the school year immediately prior to the school year in which the annexing school district first receives such funds.

171.031. 1. Each school board shall prepare annually a calendar for the school term, specifying the opening date and providing a minimum term of at least one hundred seventy-four days and one thousand [forty-four] **two hundred** hours of actual pupil attendance. **The opening date shall be the Friday immediately following the third Monday in August for any school that is not in session for twelve months of each calendar year.**

2. No school day shall be longer than [seven] **eight** hours [except for vocational schools which may adopt an eight-hour day in a metropolitan school district and a school district in a first class county adjacent to a city not within a county].

313.820. 1. An excursion boat licensee shall pay to the commission an admission fee of [two] **three** dollars for each person embarking on an excursion gambling boat with a ticket of admission. **One dollar of such fee shall be deposited to the credit of the gaming proceeds for higher education fund as authorized pursuant to section 313.855, and one** dollar of such fee shall be deposited to the credit of the gaming commission fund as authorized

pursuant to section 313.835, and one dollar of such fee shall not be considered state funds and shall be paid to the home dock city or county. Subject to appropriation, one cent of such fee deposited to the credit of the gaming commission fund may be deposited to the credit of the compulsive gamblers fund created pursuant to the provisions of section 313.842. Nothing in this section shall preclude any licensee from charging any amount deemed necessary for a ticket of admission to any person embarking on an excursion gambling boat. If tickets are issued which are good for more than one excursion, the admission fee shall be paid to the commission for each person using the ticket on each excursion that the ticket is used. If free passes or complimentary admission tickets are issued, the excursion boat licensee shall pay to the commission the same fee upon these passes or complimentary tickets as if they were sold at the regular and usual admission rate; however, the excursion boat licensee may issue fee-free passes to actual and necessary officials and employees of the licensee or other persons actually working on the excursion gambling boat. The issuance of fee-free passes is subject to the rules of the commission, and a list of all persons to whom the fee-free passes are issued shall be filed with the commission.

313.855. 1. The "Gaming Proceeds for Higher Education Fund" is hereby created and shall be administered by the Coordinating Board for Higher Education. All interest received on the fund shall be credited to the fund. Moneys in the fund at the end of any biennium shall not be transferred to the credit of the general revenue fund.

2. Ten percent of the moneys deposited in the Gaming Proceeds for Higher Education Fund shall be transferred on a monthly basis to the Missouri college guarantee fund, established pursuant to the provisions of sections 173.810 to 173.830, RSMo.

3. Ninety percent of the moneys deposited in the gaming proceeds for higher education fund shall be transferred on a monthly basis to support the public institutions of higher education in this state in the manner specified in subsections 4 and 5 of this section.

4. For fiscal years 2004, 2005, 2006, and 2007, the funds distributed pursuant to subsection 3 of this section shall be distributed in the following manner:

(1) No less than 6.32 percent shall be transferred to Central Missouri State University;

(2) No less than 5.15 percent shall be transferred to Southeast Missouri State University;

(3) No less than 9.35 percent shall be transferred to Southwest Missouri State University;

(4) No less than 1.97 percent shall be transferred to Lincoln University;

(5) No less than 4.79 percent shall be transferred to Truman State University;

(6) No less than 3.51 percent shall be transferred to Northwest Missouri State University;

(7) No less than 2.45 percent shall be transferred to Missouri Southern State College;

(8) No less than 2.41 percent shall be transferred to Missouri Western State College;

(9) No less than 1.15 percent shall be transferred to Harris-Stowe State College;

(10) No less than 46.74 percent shall be transferred to the University of Missouri System;

(11) No less than 0.53 percent shall be transferred to Linn State Technical College; and

(12) No less than 15.63 percent shall be transferred to the public community colleges of this state.

5. Beginning July 1, 2007, and for each five years thereafter, the funds distributed pursuant to subsection 3 of this section shall be adjusted by the coordinating board for higher education in order to reflect the equity-based budget adjustments formulated by the coordinating board for higher education.

[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 of the second full school year of such unaccredited classification after the school year during which the unaccredited classification is initially assigned. The territory theretofore embraced within any district that lapses pursuant to this section or any portion thereof may 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. Prior to or at the time any school district in this state shall lapse, but after the school district has been classified as unaccredited, the department of elementary and secondary education shall conduct a public hearing at a location in the unaccredited school district. The purpose of the hearing shall be to:

(1) Review any plan by the district to return to accredited status; or

(2) Offer any technical assistance that can be provided to the district.

3. Except as otherwise provided in section 162.1100, in a metropolitan school

district or an urban school district containing most or all of a city with a population greater than three hundred fifty thousand inhabitants and in any other school district if the local board of education does not anticipate a return to accredited status, the state board of education may appoint a special administrative board to supervise the financial operations, maintain and preserve the financial assets or, if warranted, continue operation of the educational programs within the district or what provisions might otherwise be made in the best interest of the education of the children of the district. The special administrative board shall consist of two persons who are residents of the school district, who shall serve without compensation, and a professional administrator, who shall chair the board and shall be compensated, as determined by the state board of education, in whole or in part with funds from the district.

4. Upon lapse of the district, the state board of education may:

(1) Appoint a special administrative board, if such a board has not already been appointed, and authorize the special administrative board to retain the authority granted to a board of education for the operation of all or part of the district;

(2) Attach the territory of the lapsed district to another district or districts for school purposes; or

(3) Establish one or more school districts within the territory of the lapsed district, with a governance structure consistent with the laws applicable to districts of a similar size, with the option of permitting a district to remain intact for the purposes of assessing, collecting, and distributing property taxes, to be distributed equitably on a per eligible pupil basis, but to be divided for operational purposes, 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 special administrative board may retain the authority granted to a board of education for the operation of the lapsed school district under the laws of the state in effect at the time of the lapse.

5. The authority of the special administrative board shall expire at the end of the third full school year following its appointment, unless extended by the state board of education. If the lapsed district is reassigned, the special administrative board shall provide an accounting of all funds, assets and liabilities of the lapsed district and transfer such funds, assets, and liabilities of the lapsed district as determined by the state board of education.

6. Upon recommendation of the special administrative board, the state board of education may assign the funds, assets and liabilities of the lapsed district to another district or districts. 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, unemployment compensation payment pursuant to section 288.110, RSMo, or any other purpose.

8. 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.

9. (1) The governing body of a school district, upon an initial declaration by the state board of education that such district is provisionally accredited, may, and, upon an initial declaration by the state board of education that such district is unaccredited, shall develop a plan to be submitted to the voters of the school district to divide the school district if the district cannot attain accreditation within three years of the initial declaration that such district is unaccredited. In the case of such a district being declared unaccredited, such plan shall be presented to the voters of the district before the district lapses. In the case of such a district being declared provisionally accredited, such plan may be presented before the close of the current accreditation cycle.

(2) The plan may provide that the school district shall remain intact for the purposes of assessing, collecting and distributing taxes for support of the schools, and the governing body of the district shall develop a plan for the distribution of such taxes equitably on a per pupil basis if the district selects this option.

(3) The makeup of the new districts shall be racially balanced as far as the proportions of students allow.

(4) If a majority of the district's voters approve the plan, the state board of education shall cooperate with the local board of education to implement the plan, which may include use of the provisions of this section to provide an orderly transition to new school districts and achievement of accredited status for such districts.

10. In the event that a school district with an enrollment in excess of five thousand pupils lapses, no school district shall have all or any part of such lapsed school district attached without the approval of the board of the receiving school district.]

[163.014. Notwithstanding the provisions of section 163.011 to the contrary, beginning with the 1997-1998 payment year, the calculation of the magnitude of a tax rate decrease due to reassessment shall exclude any voted increase occurring in the year of reassessment dating from tax year 1995.]

[163.015. 1. Notwithstanding any other provision of law, for districts not making transfers pursuant to subsection 4 of section 165.011, RSMo, nor making payments or

expenditures related to obligations made pursuant to section 177.088, RSMo, nor any combination of such transfers, payments or expenditures, the district's operating levy for school purposes shall include the sum of tax rates levied for incidental, teachers', debt service and capital projects funds, with no more than eighteen cents of the sum levied in the debt service and capital projects funds. Any portion of the operating levy for school purposes levied in the debt service and capital projects funds in excess of a sum of ten cents must be authorized by a vote of the people, after August 28, 1998, approving an increase in the operating levy, or a full waiver of the rollback pursuant to section 164.013, RSMo, with a tax rate ceiling in excess of the minimum tax rate or an issuance of general obligation bonds.

2. Notwithstanding any other provision of law, beginning with the tax year which commences January 1, 1998, and for the 1998-99 school year and subsequent tax and school years, no school district shall receive more state aid, as calculated under section 163.031, for its education program, exclusive of categorical add-ons, than it received per eligible pupil for the school year 1993-94, unless it has an operating levy for school purposes of not less than two dollars and seventy-five cents after all adjustments and reductions, with no more than ten cents of this tax rate levied in the debt service and capital projects funds and eligible for entry on line 1 of the state school aid formula contained in subsection 6 of section 163.031; except that any district which is required, pursuant to article X, section 22 of the Missouri Constitution, to reduce its operating levy below the minimum tax rate otherwise required under subsection 2 of section 163.021 shall not be construed to be in violation of subsection 2 of section 163.021 for making such tax rate reduction.

3. Notwithstanding any other provision of law, the portion of state aid received by the district pursuant to section 163.031, based upon the portion of the tax rate in the debt service or capital projects fund, respectively, which is included in the operating levy for school purposes shall be placed to the credit of the debt service fund or capital projects fund, respectively.]

[163.022. Provisions of other law to the contrary notwithstanding, the provisions of subsection 2 of section 163.021 shall not apply to any elementary school district located in a county with a population of between thirty-five thousand and thirty-six thousand residents that contains the majority of at least five school districts.]

[163.023. 1. Commencing September 1, 1997, a school district that has an operating levy for school purposes as defined in section 163.011, of less than the minimum value required by section 163.021, shall be classified as unaccredited by the state board of education and shall be deemed to be an unclassified school district for all purposes under force of law, pursuant to the authority of the state board of education to

classify school districts pursuant to section 161.092, RSMo, except that no school district shall be classified as unaccredited or deemed to be an unclassified school district pursuant to this section and section 160.538, RSMo, if such district is ineligible to receive state aid under section 163.031, exclusive of categorical add-ons, because the district deductions under subsection 2 of section 163.031, equal or exceed the district entitlement under subsection 1 of section 163.031. No school district, except a district which is ineligible to receive state aid under section 163.031, exclusive of categorical add-ons, because the district's deductions under subsection 2 of section 163.031, equal or exceed the district entitlement under subsection 1 of section 163.031, may be classified or reclassified as accredited until such district has an operating levy for school purposes which is equal to or greater than the minimum value required by section 163.021. Beginning July 1, 1998, the state board of education shall consider the results for a school district from the statewide assessment system developed pursuant to the provisions of section 160.518, RSMo, when classifying a school district as authorized by subdivision (9) of section 161.092, RSMo. Further, the state board of education shall consider the condition and adequacy of facilities of a school district when determining such classification.

2. For any school district classified unaccredited for any school year, the state board of education shall conduct procedures to classify said school district for the first school year following.]

[163.025. 1. Whenever the adjusted operating levy, as defined in section 163.011, of any school district is required, pursuant to article X, section 22 of the Missouri Constitution, to be reduced below the minimum tax rate required for the current school year under section 163.021, the district shall not be classified as unaccredited under section 163.023.

2. Other provisions of section 163.031, to the contrary notwithstanding, for the first two school years in which a school district's adjusted operating levy is required to be reduced below the minimum tax rate required for the current school year under section 163.021, pursuant to article X, section 22 of the Missouri Constitution, for the purpose of distribution of state aid under section 163.031, the district's equalized operating levy for school purposes shall be the greater of the current year's levy or the minimum tax rate required for the current school year under section 163.021, and the district shall not be rendered ineligible, pursuant to section 163.021, for increases in state aid distributed under section 163.031. The provisions of this subsection shall expire on July 1, 1997.]

[163.028. Any rule or portion of a rule promulgated pursuant to this act shall become effective only as provided pursuant to chapter 536, RSMo, including, but not limited to, section 536.028, RSMo, if applicable, after August 28, 1997. All rulemaking authority delegated prior to August 28, 1997, is of no force and effect and repealed. The

provisions of this section are nonseverable and if any of the powers vested with the general assembly pursuant to section 536.028, RSMo, if applicable, to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule are held unconstitutional or invalid, the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.]

[163.032. Other provisions of law to the contrary notwithstanding, beginning with the 1994-95 school year, the revenue per eligible pupil received by a district from the following sources under subsection 6 of section 163.031: line one minus line ten, or zero if line one minus line ten is less than zero, plus line fourteen; 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 for the current year by subsection 2 of section 163.021, minus the sum of the district's equalized operating levy for school purposes of 1993 and any equalized operating levy for school purposes levied for 1993 by a special school district in which the district is located, 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 nineteen of subsection 6 of section 163.031 to assure compliance with the provisions contained in this section. For all purposes of law, a school district's equalized operating levy for school purposes does not include any equalized operating levy for school purposes levied by a special school district in which the district is located.]

[163.034. Other provisions of subsection 5 of section 163.031, to the contrary notwithstanding, beginning with the 1995-96 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 line 14 as those amounts are established in subsection 6 of section 163.031, 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; provided that this section shall not be construed to limit the authority of the department of elementary and secondary education to reduce state aid payments pursuant to subsection 11 of section 177.088, RSMo, or subsection 8 of section 165.011, RSMo. The department of elementary and secondary education shall make an addition in the payment amount of line 19 of subsection 6 of section 163.031, to assure compliance with the provisions contained in this section, prior to making any deductions authorized under subsection 11 of section 177.088, RSMo, or subsection 8 of section 165.011, RSMo.]

[163.035. 1. The repeal and reenactment of sections 163.011 and 163.031 and the enactment of section 162.1060, RSMo, shall become effective on July 1, 1999, if notification has been provided pursuant to subsection 2 of this section.

2. On or within thirty days prior to March 15, 1999, 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 pending case as of May 15, 1998, 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, the repeal and reenactment of sections 163.011 and 163.031 and the enactment of section 162.1060, RSMo, shall not become effective. 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 and may include a consent judgment. Provided, however that a settlement among the parties may include provisions for payment for capital to be made after March 15, 1999, as long as the final judgment approving such settlement fixes with finality the financial obligations of the state.]

[168.500. 1. For the purpose of providing career pay, which shall be a salary supplement, for public school teachers, which for the purpose of sections 168.500 to 168.515 shall include classroom teachers, librarians, guidance counselors and certificated teachers who hold positions as school psychological examiners, parents as teachers educators, school psychologists, special education diagnosticians and speech pathologists, and are on the district salary schedule, there is hereby created and established a career advancement program which shall be known as the "Missouri Career Development and Teacher Excellence Plan", hereinafter known as the "career plan or program". Participation by local school districts in the career advancement program established under this section shall be voluntary. The career advancement program is a matching fund program of variable match rates. The general assembly shall make an annual appropriation to the excellence in education fund established under section 160.268, RSMo, for the purpose of providing the state's portion for the career advancement program. The "Career Ladder Forward Funding Fund" is hereby established in the state treasury. Beginning with fiscal year 1998 and until the career ladder forward funding fund is terminated pursuant to this subsection, the general assembly shall appropriate funds to the career ladder forward funding fund. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys in the fund shall not be transferred to the credit of the general revenue fund at the end of the biennium. All interest or other gain received from investment of moneys in the fund shall be credited to the fund. All funds deposited in the fund shall be maintained in the fund until such time as the balance in the fund at the end of the fiscal year is equal to or greater than the appropriation for the career ladder program for the following year, at which time all such revenues shall be used to fund, in advance, the career ladder

program for such following year and the career ladder forwarding funding fund shall thereafter be terminated.

2. The department of elementary and secondary education, at the direction of the commissioner of education, shall study and develop model career plans which shall be made available to the local school districts. These state model career plans shall:

- (1) Contain three steps or stages of career advancement;
- (2) Contain a detailed procedure for the admission of teachers to the career program;
- (3) Contain specific criteria for career step qualifications and attainment. These criteria shall clearly describe the minimum number of professional responsibilities required of the teacher at each stage of the plan and shall include reference to classroom performance evaluations performed pursuant to section 168.128;
- (4) Be consistent with the teacher certification process recommended by the Missouri advisory council of certification for educators and adopted by the department of elementary and secondary education;
- (5) Provide that public school teachers in Missouri shall become eligible to apply for admission to the career plans adopted under sections 168.500 to 168.515 after five years of public school teaching in Missouri. All teachers seeking admission to any career plan shall, as a minimum, meet the requirements necessary to obtain the first renewable professional certificate as provided in section 168.021;
- (6) Provide procedures for appealing decisions made under career plans established under sections 168.500 to 168.515.

3. The commissioner of education shall cause the department of elementary and secondary education to establish guidelines for all career plans established under this section, and criteria that must be met by any school district which seeks funding for its career plan.

4. A participating local school district may have the option of implementing a career plan developed by the department of elementary and secondary education or a local plan which has been developed with advice from teachers employed by the district and which has met with the approval of the department of elementary and secondary education. In approving local career plans, the department of elementary and secondary education may consider provisions in the plan of the local district for recognition of teacher mobility from one district to another within this state.

5. The career plans of local school districts shall not discriminate on the basis of race, sex, religion, national origin, color, creed, or age. Participation in the career plan of a local school district is optional, and any teacher who declines to participate shall not be penalized in any way.

6. In order to receive funds under this section, a school district which is not subject to section 162.920, RSMo, must have a total levy for operating purposes which is in excess of the amount allowed in section 11(b) of article X of the Missouri Constitution; and a school district which is subject to section 162.920, RSMo, must have a total levy for operating purposes which is equal to or in excess of twenty-five cents on each hundred dollars of assessed valuation.]

[168.505. 1. Any teacher receiving career pay pursuant to section 163.031, RSMo, for entitlements authorized under any plan or program established under sections 168.500 to 168.515 shall continue to receive the district base pay to which he would be entitled if he were not receiving the career pay provided for in sections 168.500 to 168.515.

2. Any teacher receiving career pay under any plan or program established under sections 168.500 to 168.515 shall receive any local pay to which teachers with similar training and experience are otherwise entitled.]

[168.510. After a teacher who is duly employed by a district qualifies and is selected for participation under a career plan established under sections 168.500 to 168.515, such teacher shall not be denied the career pay authorized by such plan unless he:

- (1) Is dismissed for cause as established under section 168.114; or
- (2) Fails to maintain or renew any certificate required by the department of elementary and secondary education; or
- (3) Fails to maintain the performance level as required for the attainment of the career stage as set forth in the plan effective in the local district as provided in section 168.500; or
- (4) Fails to complete professional responsibilities required for the attainment of each stage; and
- (5) Has exhausted all due process procedures provided by subdivision (6) of subsection 2 of section 168.500.]

[168.515. 1. Each teacher selected to participate in a career plan established under sections 168.500 to 168.515, who meets the requirements of such plan, shall receive a salary supplement, the state's share of which shall be distributed under section 163.031, RSMo, equal to the following amounts multiplied by the proration factor applied to the career ladder entitlement of line 15 of subsection 6 of section 163.031, RSMo:

- (1) Career stage I teachers may receive up to an additional one thousand five hundred dollars per school year;
- (2) Career stage II teachers may receive up to an additional three thousand dollars per school year;

(3) Career stage III teachers may receive up to an additional five thousand dollars per school year.

All teachers within each stage within the same school district shall receive equal salary supplements.

2. The state shall make payments pursuant to section 163.031, RSMo, to the local school district for the purpose of reimbursing the local school district for the payment of any salary supplements provided for in this section, subject to the availability of funds as appropriated each year and distributed on a variable match formula which shall be based on equalized assessed valuation of the district for the second preceding school year. A. district's equalized assessed valuation shall be multiplied by the district income factor defined in section 163.011, RSMo, and shall be known as the adjusted equalized assessed valuation.

3. In distributing these matching funds, school districts shall be ranked by the adjusted equalized assessed valuation for the second preceding school year per eligible pupil from the highest to the lowest and divided into three groups. Group one shall contain the highest twenty-five percent of all public school districts, groups two and three combined shall contain the remaining seventy-five percent of all public school districts. The districts in groups two and three shall be rank ordered from largest to smallest based on enrollment as of the last Wednesday in September during the second preceding school year, group two shall contain twenty-five percent of all public school districts that are larger on the enrollment based rank ordered list and group three shall contain the remaining fifty percent of all public school districts. Pursuant to subsection 4 of this section, districts in group one shall receive forty percent state funding and shall contribute sixty percent local funding, group two shall receive fifty percent state funding and shall contribute fifty percent local funding and group three shall receive sixty percent state funding and shall contribute forty percent local funding.

4. The incremental groups are as follows:

	Percentage	Percentage	Percentage
	Group of	of State	of Local
	Districts	Funding	Funding
1	25%	40%	60%
2	25%	50%	50%
3	50%	60%	40%

5. Beginning in the 1996-97 school year, any school district in any group which participated in the career ladder program in 1995-96 and paid less than the local funding percentage required by subsection 4 of this section shall increase its local share of career ladder costs by five percentage points from the preceding year until the district pays the

percentage share of cost required by subsection 4 of this section, and in no case shall the local funding percentage be increased by a greater amount for any year. For any district, the state payment shall not exceed the local payment times the state percentage share divided by the local percentage share. Any district not participating in the 1995-96 school year or any district which interrupts its career ladder program for any subsequent year shall enter the program on the cost-sharing basis required by subsection 4 of this section.

6. Not less than every fourth year, beginning with calendar year 1988, the general assembly, through the joint committee established under section 160.254, RSMo, shall review the amount of the career pay provided for in this section to determine if any increases are necessary to reflect the increases in the cost of living which have occurred since the salary supplements were last reviewed or set.

7. To participate in the salary supplement program established under this section, a school district may submit to the voters of the district a proposition to increase taxes for this purpose. If a school district's current tax rate ceiling is at or above the rate from which an increase would require a two-thirds majority, the school board may submit to the voters of the district a proposition to reduce or eliminate the amount of the levy reduction resulting from section 164.013, RSMo. If a majority of the voters voting thereon vote in favor of the proposition, the board may certify that seventy-five percent of the revenue generated from this source shall be used to implement the salary supplement program established under this section.

8. In no case shall a school district use state funds received under this section nor local revenue generated from a tax established under subsection 7 of this section to comply with the minimum salary requirements for teachers established pursuant to section 163.172, RSMo.

9. Beginning in the 1996-97 school year, for any teacher who participated in the career program in the 1995-96 school year, continues to participate in the program thereafter, and remains qualified to receive career pay pursuant to section 168.510, the state's share of the teacher's salary supplement shall continue to be the percentage paid by the state in the 1995-96 school year, notwithstanding any provisions of subsection 4 of this section to the contrary, and the state shall continue to pay such percentage of the teacher's salary supplement until any of the following occurs:

(1) The teacher ceases his or her participation in the program; or

(2) The teacher suspends his or her participation in the program for any school year after the 1995-96 school year. If the teacher later resumes participation in the program, the state funding shall be subject to the provisions of subsection 4 of this section.]

[168.520. 1. For the purpose of providing career pay, which shall be a salary

supplement for teachers, librarians, guidance counselors and certificated teachers who hold positions as school psychological examiners, parents-as-teachers educators, school psychologists, special education diagnosticians or speech pathologists in the state schools for the severely handicapped, the Missouri School for the Blind and the Missouri School for the Deaf, there is hereby established a career advancement program which shall become effective no later than September 1, 1986. Participation in the career advancement program by teachers shall be voluntary.

2. The department of elementary and secondary education with the recommendation of teachers from the state schools, shall develop a career plan. This state career plan shall include, but need not be limited to, the provisions of state model career plans as contained in subsection 2 of section 168.500.

3. After a teacher who is duly employed by a state school qualifies and is selected for participation in the state career plan established under this section, such a teacher shall not be denied the career pay authorized by such plan except as provided in subdivisions (1), (2), and (3) of section 168.510.

4. Each teacher selected to participate in the career plan established under this section who meets the requirements of such plan, shall receive a salary supplement as provided in subdivisions (1), (2), and (3) of subsection 1 of section 168.515.

5. The department of elementary and secondary education shall annually include within its budget request to the general assembly sufficient funds for the purpose of providing career pay as established under this section to those eligible teachers employed in state schools for the severely handicapped, the Missouri School for the Deaf, and the Missouri School for the Blind.]

Section B. Section A of this act is hereby submitted to the qualified voters of this state for approval or rejection at an election which is hereby ordered and which shall be held and conducted at a special election to be called by the governor for that purpose, pursuant to the laws and constitutional provisions of this state for the submission of referendum measures by the general assembly, and this act shall become effective when approved by a majority of the votes cast thereon at such election and not otherwise.