## SENATE AMENDMENT NO.

Offered by of	
Amend	<u>SCS/HCS/House</u> Bill No. <u>1831</u> , Page <u>1</u> , Section <u>Title</u> , Line <u>3</u> ,
2	by striking "child care facilities" and inserting in lieu thereof
3	the following: "education for minors"; and
4	Further amend said bill and page, section A, line 2, by
5	inserting after all of said line the following:
6	"160.053. 1. <u>If a school district maintains a</u>
7	prekindergarten program, a child is eligible for admission to
8	that prekindergarten program only if the child has reached the
9	age of three before the first day of August of the school year
10	beginning in that calendar year. If a school district maintains
11	a kindergarten program, a child is eligible for admission to
12	kindergarten and to the summer school session immediately
13	preceding kindergarten, if offered, if the child reaches the age
14	of five before the first day of August of the school year
15	beginning in that calendar year or if the child is a military
16	dependent who has successfully completed an accredited
17	prekindergarten program or has attended an accredited
18	kindergarten program in another state. A child is eligible for
19	admission to first grade if the child reaches the age of six
20	before the first day of August of the school year beginning in
21	that calendar year or if the child is a military dependent who

has successfully completed an accredited kindergarten program in another state.

3 2. Any kindergarten or grade one pupil beginning the school term and any pupil beginning summer school prior to a 4 5 kindergarten school term in a metropolitan school district or an 6 urban school district containing the greater part of the population of a city which has more than three hundred thousand 7 8 inhabitants pursuant to section 160.054 or 160.055 and 9 subsequently transferring to another school district in this 10 state in which the child's birth date would preclude such child's eligibility for entrance shall be deemed eligible for attendance 11 12 and shall not be required to meet the minimum age requirements. 13 The receiving school district shall receive state aid for the 14 child, notwithstanding the provisions of section 160.051.

3. Any child who completes the kindergarten year shall not be required to meet the age requirements of a district for entrance into grade one.

4. The provisions of this section relating to kindergarten
 instruction and state aid therefor shall not apply during any
 particular school year to those districts which do not provide
 kindergarten classes that year.

22 160.054. 1. Notwithstanding any provisions of sections 23 160.051 and 160.053, to the contrary, beginning with the 1997-98 24 school year, all metropolitan school districts, except as 25 provided in subsection 2 of this section, may establish and 26 enforce a regulation which requires that a child shall have 27 attained the age of three by August first for purposes of 28 prekindergarten if a school district maintains such a program, 29 the age of five for purposes of kindergarten and summer school

prior to a kindergarten school term, and the age of six for purposes of grade one, on or before any date between August first and October first of that year. The school district shall receive state aid for any child admitted to kindergarten, summer school prior to kindergarten, or grade one pursuant to this section, notwithstanding the provisions of section 160.051.

Any kindergarten or grade one pupil beginning the school 7 2. 8 term and any pupil beginning summer school prior to a 9 kindergarten school term in a metropolitan school district and 10 subsequently transferring to another school district in this state in which the child's birth date would preclude such child's 11 12 eligibility for entrance shall be deemed eligible for attendance 13 and shall not be required to meet the minimum age requirements. The receiving school district shall receive state aid for the 14 15 child, notwithstanding the provisions of section 160.051.

16 3. Any child who completes the kindergarten year in a 17 metropolitan school district shall not be required to meet the 18 minimum age requirements of another school district in this state 19 for entrance into grade one.

The provisions of subsections 1 and 2 of this section,
 relating to kindergarten instruction and state aid therefor,
 shall not apply during any particular school year to those
 districts which do not provide kindergarten classes that year.

160.055. 1. Notwithstanding any provisions of sections 160.051 and 160.053, to the contrary, beginning with the 1997-98 school year, all urban school districts containing the greater part of the population of a city which has more than three hundred thousand inhabitants, except as provided in subsection 2 of this section, may establish and enforce a regulation which

1 requires that a child shall have attained the age of three by 2 August first for purposes of prekindergarten if a school district 3 maintains such a program, the age of five for purposes of kindergarten and summer school prior to a kindergarten school 4 5 term, and the age of six for purposes of grade one, on or before 6 any date between August first and October first of that year. The school district shall receive state aid for any child 7 8 admitted to kindergarten, summer school prior to kindergarten, or 9 grade one pursuant to this section, notwithstanding the 10 provisions of section 160.051.

2. Any kindergarten or grade one pupil beginning the school 11 12 term and any pupil beginning summer school prior to a 13 kindergarten school term in an urban school district in this 14 state containing the greater part of the population of a city 15 which has more than three hundred thousand inhabitants and subsequently transferring to another school district in this 16 17 state in which the child's birth date would preclude such child's 18 eligibility for entrance shall be deemed eligible for attendance 19 and shall not be required to meet the minimum age requirements. 20 The receiving school district shall receive state aid for the 21 child, notwithstanding the provisions of section 160.051.

22 3. Any child who completes the kindergarten year in an 23 urban school district containing the greater part of the 24 population of a city which has more than three hundred thousand 25 inhabitants shall not be required to meet the minimum age 26 requirements of another school district in this state for 27 entrance into grade one.

4. The provisions of subsections 1 and 2 of this section,
relating to kindergarten instruction and state aid therefor,

shall not apply during any particular school year to those
 districts which do not provide kindergarten classes that year.

3 163.011. As used in this chapter unless the context 4 requires otherwise:

5 (1) "Adjusted operating levy", the sum of tax rates for the 6 current year for teachers' and incidental funds for a school 7 district as reported to the proper officer of each county 8 pursuant to section 164.011;

9 "Average daily attendance", the quotient or the sum of (2)10 the quotients obtained by dividing the total number of hours attended in a term by resident pupils between the ages of five 11 12 and twenty-one by the actual number of hours school was in 13 session in that term. To the average daily attendance of the 14 following school term shall be added the full-time equivalent 15 average daily attendance of summer school students. "Full-time 16 equivalent average daily attendance of summer school students" 17 shall be computed by dividing the total number of hours, except 18 for physical education hours that do not count as credit toward 19 graduation for students in grades nine, ten, eleven, and twelve, 20 attended by all summer school pupils by the number of hours 21 required in section 160.011 in the school term. For purposes of 22 determining average daily attendance under this subdivision, the 23 term "resident pupil" shall include all children between the ages 24 of five and twenty-one who are residents of the school district 25 and who are attending kindergarten through grade twelve in such 26 district. If a child is attending school in a district other 27 than the district of residence and the child's parent is teaching 28 in the school district or is a regular employee of the school district which the child is attending, then such child shall be 29

considered a resident pupil of the school district which the child is attending for such period of time when the district of residence is not otherwise liable for tuition. Average daily attendance for students below the age of five years for which a school district may receive state aid based on such attendance shall be computed as regular school term attendance unless otherwise provided by law;

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(3) "Current operating expenditures":

9 For the fiscal year 2007 calculation, "current (a) 10 operating expenditures" shall be calculated using data from fiscal year 2004 and shall be calculated as all expenditures for 11 12 instruction and support services except capital outlay and debt 13 service expenditures minus the revenue from federal categorical 14 sources; food service; student activities; categorical payments 15 for transportation costs pursuant to section 163.161; state 16 reimbursements for early childhood special education; the career ladder entitlement for the district, as provided for in sections 17 18 168.500 to 168.515; the vocational education entitlement for the 19 district, as provided for in section 167.332; and payments from 20 other districts;

21 In every fiscal year subsequent to fiscal year 2007, (b) 22 current operating expenditures shall be the amount in paragraph 23 (a) of this subdivision plus any increases in state funding 24 pursuant to sections 163.031 and 163.043 subsequent to fiscal 25 year 2005, not to exceed five percent, per recalculation, of the 26 state revenue received by a district in the 2004-05 school year 27 from the foundation formula, line 14, gifted, remedial reading, 28 exceptional pupil aid, fair share, and free textbook payments for any district from the first preceding calculation of the state 29

adequacy target. Beginning on July 1, 2010, current operating 1 2 expenditures shall be the amount in paragraph (a) of this 3 subdivision plus any increases in state funding pursuant to sections 163.031 and 163.043 subsequent to fiscal year 2005 4 5 received by a district in the 2004-05 school year from the 6 foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payments for 7 8 any district from the first preceding calculation of the state 9 adequacy target;

10 (4) "District's tax rate ceiling", the highest tax rate 11 ceiling in effect subsequent to the 1980 tax year or any 12 subsequent year. Such tax rate ceiling shall not contain any tax 13 levy for debt service;

14 (5) "Dollar-value modifier", an index of the relative 15 purchasing power of a dollar, calculated as one plus fifteen 16 percent of the difference of the regional wage ratio minus one, 17 provided that the dollar value modifier shall not be applied at a 18 rate less than 1.0:

(a) "County wage per job", the total county wage and salary
disbursements divided by the total county wage and salary
employment for each county and the city of St. Louis as reported
by the Bureau of Economic Analysis of the United States
Department of Commerce for the fourth year preceding the payment
year;

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(b) "Regional wage per job":

a. The total Missouri wage and salary disbursements of the
 metropolitan area as defined by the Office of Management and
 Budget divided by the total Missouri metropolitan wage and salary
 employment for the metropolitan area for the county signified in

the school district number or the city of St. Louis, as reported by the Bureau of Economic Analysis of the United States Department of Commerce for the fourth year preceding the payment year and recalculated upon every decennial census to incorporate counties that are newly added to the description of metropolitan areas; or if no such metropolitan area is established, then:

The total Missouri wage and salary disbursements of the 7 b. 8 micropolitan area as defined by the Office of Management and 9 Budget divided by the total Missouri micropolitan wage and salary 10 employment for the micropolitan area for the county signified in the school district number, as reported by the Bureau of Economic 11 12 Analysis of the United States Department of Commerce for the 13 fourth year preceding the payment year, if a micropolitan area 14 for such county has been established and recalculated upon every 15 decennial census to incorporate counties that are newly added to 16 the description of micropolitan areas; or

17 c. If a county is not part of a metropolitan or 18 micropolitan area as established by the Office of Management and 19 Budget, then the county wage per job, as defined in paragraph (a) 20 of this subdivision, shall be used for the school district, as 21 signified by the school district number;

(c) "Regional wage ratio", the ratio of the regional wage
 per job divided by the state median wage per job;

24 (d) "State median wage per job", the fifty-eighth highest25 county wage per job;

(6) "Free and reduced lunch pupil count", <u>for school</u>
 <u>districts not eligible for and those that do not choose the USDA</u>
 <u>Community Eligibility Option</u>, the number of pupils eligible for
 free and reduced lunch on the last Wednesday in January for the

preceding school year who were enrolled as students of the 1 2 district, as approved by the department in accordance with 3 applicable federal regulations. For eligible school districts that choose the USDA Community Eligibility Option, the free and 4 5 reduced lunch pupil count shall be the percentage of free and reduced lunch students calculated as eligible on the last 6 Wednesday in January of the most recent school year that included 7 8 household applications to determine free and reduced lunch count 9 multiplied by the district's average daily attendance figure;

10 "Free and reduced lunch threshold" shall be calculated (7)by dividing the total free and reduced lunch pupil count of every 11 12 performance district that falls entirely above the bottom five 13 percent and entirely below the top five percent of average daily 14 attendance, when such districts are rank-ordered based on their 15 current operating expenditures per average daily attendance, by the total average daily attendance of all included performance 16 17 districts;

18 (8) "Limited English proficiency pupil count", the number 19 in the preceding school year of pupils aged three through 20 twenty-one enrolled or preparing to enroll in an elementary 21 school or secondary school who were not born in the United States 22 or whose native language is a language other than English or are 23 Native American or Alaskan native, or a native resident of the 24 outlying areas, and come from an environment where a language 25 other than English has had a significant impact on such 26 individuals' level of English language proficiency, or are 27 migratory, whose native language is a language other than 28 English, and who come from an environment where a language other 29 than English is dominant; and have difficulties in speaking,

reading, writing, or understanding the English language sufficient to deny such individuals the ability to meet the state's proficient level of achievement on state assessments described in Public Law 107-10, the ability to achieve successfully in classrooms where the language of instruction is English, or the opportunity to participate fully in society;

"Limited English proficiency threshold" shall be 7 (9) 8 calculated by dividing the total limited English proficiency 9 pupil count of every performance district that falls entirely 10 above the bottom five percent and entirely below the top five percent of average daily attendance, when such districts are 11 12 rank-ordered based on their current operating expenditures per 13 average daily attendance, by the total average daily attendance 14 of all included performance districts;

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(10) "Local effort":

For the fiscal year 2007 calculation, "local effort" 16 (a) 17 shall be computed as the equalized assessed valuation of the 18 property of a school district in calendar year 2004 divided by 19 one hundred and multiplied by the performance levy less the 20 percentage retained by the county assessor and collector plus one 21 hundred percent of the amount received in fiscal year 2005 for 22 school purposes from intangible taxes, fines, escheats, payments 23 in lieu of taxes and receipts from state-assessed railroad and 24 utility tax, one hundred percent of the amount received for 25 school purposes pursuant to the merchants' and manufacturers' 26 taxes under sections 150.010 to 150.370, one hundred percent of 27 the amounts received for school purposes from federal properties 28 under sections 12.070 and 12.080 except when such amounts are 29 used in the calculation of federal impact aid pursuant to P.L.

81-874, fifty percent of Proposition C revenues received for 1 2 school purposes from the school district trust fund under section 3 163.087, and one hundred percent of any local earnings or income taxes received by the district for school purposes. Under this 4 5 paragraph, for a special district established under sections 162.815 to 162.940 in a county with a charter form of government 6 and with more than one million inhabitants, a tax levy of zero 7 8 shall be utilized in lieu of the performance levy for the special 9 school district;

10 In every year subsequent to fiscal year 2007, "local (b) effort" shall be the amount calculated under paragraph (a) of 11 12 this subdivision plus any increase in the amount received for 13 school purposes from fines. If a district's assessed valuation 14 has decreased subsequent to the calculation outlined in paragraph 15 (a) of this subdivision, the district's local effort shall be calculated using the district's current assessed valuation in 16 17 lieu of the assessed valuation utilized in the calculation 18 outlined in paragraph (a) of this subdivision. When a change in 19 a school district's boundary lines occurs because of a boundary 20 line change, annexation, attachment, consolidation, 21 reorganization, or dissolution under section 162.071, 162.081, 22 sections 162.171 to 162.201, section 162.221, 162.223, 162.431, 23 162.441, or 162.451, or in the event that a school district 24 assumes any territory from a district that ceases to exist for 25 any reason, the department of elementary and secondary education 26 shall make a proper adjustment to each affected district's local 27 effort, so that each district's local effort figure conforms to 28 the new boundary lines of the district. The department shall 29 compute the local effort figure by applying the calendar year

- 1 <u>2004 assessed valuation data to the new land areas resulting from</u> 2 <u>the boundary line change, annexation, attachment, consolidation,</u> 3 <u>reorganization, or dissolution and otherwise follow the</u> 4 procedures described in this subdivision;
- 5

(11) "Membership" shall be the average of:

6 (a) The number of resident full-time students and the 7 full-time equivalent number of part-time students who were 8 enrolled in the public schools of the district on the last 9 Wednesday in September of the previous year and who were in 10 attendance one day or more during the preceding ten school days; 11 and

(b) 12 The number of resident full-time students and the 13 full-time equivalent number of part-time students who were 14 enrolled in the public schools of the district on the last 15 Wednesday in January of the previous year and who were in attendance one day or more during the preceding ten school days, 16 17 plus the full-time equivalent number of summer school pupils. 18 "Full-time equivalent number of part-time students" is determined 19 by dividing the total number of hours for which all part-time 20 students are enrolled by the number of hours in the school term. 21 "Full-time equivalent number of summer school pupils" is 22 determined by dividing the total number of hours for which all 23 summer school pupils were enrolled by the number of hours 24 required pursuant to section 160.011 in the school term. Only 25 students eligible to be counted for average daily attendance 26 shall be counted for membership;

(12) "Operating levy for school purposes", the sum of tax
 rates levied for teachers' and incidental funds plus the
 operating levy or sales tax equivalent pursuant to section

1 162.1100 of any transitional school district containing the 2 school district, in the payment year, not including any equalized 3 operating levy for school purposes levied by a special school 4 district in which the district is located;

5 "Performance district", any district that has met (13)6 [all] performance standards and indicators as established by the department of elementary and secondary education for purposes of 7 accreditation under section 161.092 and as reported on the final 8 annual performance report for that district each year; for 9 10 calculations to be utilized for payments in fiscal years 11 subsequent to fiscal year 2018, the number of performance 12 districts shall not exceed twenty-five percent of all public 13 school districts;

14 (14) "Performance levy", three dollars and forty-three 15 cents;

16 (15) "School purposes" pertains to teachers' and incidental 17 funds;

18 (16)"Special education pupil count", the number of public 19 school students with a current individualized education program 20 or services plan and receiving services from the resident 21 district as of December first of the preceding school year, 22 except for special education services provided through a school 23 district established under sections 162.815 to 162.940 in a 24 county with a charter form of government and with more than one million inhabitants, in which case the sum of the students in 25 26 each district within the county exceeding the special education 27 threshold of each respective district within the county shall be counted within the special district and not in the district of 28 29 residence for purposes of distributing the state aid derived from

1 the special education pupil count;

2 (17) "Special education threshold" shall be calculated by 3 dividing the total special education pupil count of every performance district that falls entirely above the bottom five 4 5 percent and entirely below the top five percent of average daily attendance, when such districts are rank-ordered based on their 6 7 current operating expenditures per average daily attendance, by 8 the total average daily attendance of all included performance 9 districts;

10 "State adequacy target", the sum of the current (18)operating expenditures of every performance district that falls 11 12 entirely above the bottom five percent and entirely below the top 13 five percent of average daily attendance, when such districts are 14 rank-ordered based on their current operating expenditures per 15 average daily attendance, divided by the total average daily 16 attendance of all included performance districts. The department 17 of elementary and secondary education shall first calculate the 18 state adequacy target for fiscal year 2007 and recalculate the 19 state adequacy target every two years using the most current 20 available data. The recalculation shall never result in a 21 decrease from the previous state adequacy target amount. Should 22 a recalculation result in an increase in the state adequacy 23 target amount, fifty percent of that increase shall be included 24 in the state adequacy target amount in the year of recalculation, 25 and fifty percent of that increase shall be included in the state 26 adequacy target amount in the subsequent year. The state 27 adequacy target may be adjusted to accommodate available 28 appropriations as provided in subsection 8 of section 163.031; 29 (19) "Teacher", any teacher, teacher-secretary, substitute

teacher, supervisor, principal, supervising principal,
superintendent or assistant superintendent, school nurse, social
worker, counselor or librarian who shall, regularly, teach or be
employed for no higher than grade twelve more than one-half time
in the public schools and who is certified under the laws
governing the certification of teachers in Missouri;

7 (20)"Weighted average daily attendance", the average daily 8 attendance plus the product of twenty-five hundredths multiplied 9 by the free and reduced lunch pupil count that exceeds the free 10 and reduced lunch threshold, plus the product of seventy-five hundredths multiplied by the number of special education pupil 11 12 count that exceeds the special education threshold, plus the 13 product of six-tenths multiplied by the number of limited English 14 proficiency pupil count that exceeds the limited English 15 proficiency threshold. For special districts established under sections 162.815 to 162.940 in a county with a charter form of 16 17 government and with more than one million inhabitants, weighted 18 average daily attendance shall be the average daily attendance 19 plus the product of twenty-five hundredths multiplied by the free 20 and reduced lunch pupil count that exceeds the free and reduced lunch threshold, plus the product of seventy-five hundredths 21 22 multiplied by the sum of the special education pupil count that 23 exceeds the threshold for each county district, plus the product 24 of six-tenths multiplied by the limited English proficiency pupil 25 count that exceeds the limited English proficiency threshold. 26 None of the districts comprising a special district established 27 under sections 162.815 to 162.940 in a county with a charter form 28 of government and with more than one million inhabitants, shall use any special education pupil count in calculating their 29

1 weighted average daily attendance.

2 163.018. 1. Notwithstanding the definition of "average 3 daily attendance" in subdivision (2) of section 163.011 to the contrary, pupils between the ages of three and five who are 4 5 eligible for free and reduced lunch and attend an early childhood 6 education program that is operated by and in a district or by a charter school that has declared itself as a local educational 7 8 agency providing full-day kindergarten and that meets standards 9 established by the state board of education, shall be included in 10 the district's or charter school's calculation of average daily 11 attendance. The total number of such pupils included in the district's or charter school's calculation of average daily 12 13 attendance shall not exceed four percent of the total number of 14 pupils who are eligible for free and reduced lunch between the 15 ages of three and eighteen who are included in the district's or 16 charter school's calculation of average daily attendance. 17 2. (1) For any district that has been declared 18 unaccredited by the state board of education and remains unaccredited as of July 1, 2015, the provisions of subsection 1 19 20 of this section shall become applicable during the 2015-2016 21 school year;

22 <u>(2) For any district that is declared unaccredited by the</u> 23 <u>state board of education after July 1, 2015, the provisions of</u> 24 <u>subsection 1 of this section shall become applicable immediately</u> 25 <u>upon such declaration;</u>

26 (3) For any district that has been declared provisionally
 27 accredited by the state board of education and remains
 28 provisionally accredited as of July 1, 2016, the provisions of
 29 subsection 1 of this section shall become applicable beginning in

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the 2016-2017 school year;

2 <u>(4) For any district that is declared provisionally</u> 3 accredited by the state board of education after July 1, 2016, 4 the provisions of this section shall become applicable beginning 5 in the 2016-2017 school year or immediately upon such 6 declaration, whichever is later;

(5) For all other districts, the provisions of subsection 1 7 8 of this section shall become effective in any school year 9 subsequent to a school year in which the amount appropriated for 10 subsections 1 and 2 of section 163.031 is equal to or exceeds the amount necessary to fund the entire entitlement calculation 11 12 determined by subsections 1 and 2 of section 163.031, and shall 13 remain effective in all school years thereafter, irrespective of 14 the amount appropriated for subsections 1 and 2 of section 15 163.031 in any succeeding year.

16 <u>3. This section shall not require school attendance beyond</u> 17 <u>that mandated under section 167.031 and shall not change or amend</u> 18 <u>the provisions of sections 160.051, 160.053, 160.054, and 160.055</u> 19 <u>relating to kindergarten attendance.</u>

20 163.031. 1. The department of elementary and secondary 21 education shall calculate and distribute to each school district 22 qualified to receive state aid under section 163.021 an amount 23 determined by multiplying the district's weighted average daily 24 attendance by the state adequacy target, multiplying this product 25 by the dollar value modifier for the district, and subtracting 26 from this product the district's local effort and, in years not 27 governed under subsection 4 of this section, subtracting payments 28 from the classroom trust fund under section 163.043.

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2. Other provisions of law to the contrary notwithstanding:

1 (1) For districts with an average daily attendance of more 2 than three hundred fifty in the school year preceding the payment 3 year:

For the 2006-07 school year, the state revenue per 4 (a) 5 weighted average daily attendance received by a district from the state aid calculation under subsections 1 and 4 of this section, 6 as applicable, and the classroom trust fund under section 163.043 7 8 shall not be less than the state revenue received by a district 9 in the 2005-06 school year from the foundation formula, line 14, 10 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts multiplied by the sum of one plus 11 12 the product of one-third multiplied by the remainder of the 13 dollar value modifier minus one, and dividing this product by the 14 weighted average daily attendance computed for the 2005-06 school 15 year;

(b) For the 2007-08 school year, the state revenue per 16 17 weighted average daily attendance received by a district from the 18 state aid calculation under subsections 1 and 4 of this section, 19 as applicable, and the classroom trust fund under section 163.043 20 shall not be less than the state revenue received by a district 21 in the 2005-06 school year from the foundation formula, line 14, 22 gifted, remedial reading, exceptional pupil aid, fair share, and 23 free textbook payment amounts multiplied by the sum of one plus 24 the product of two-thirds multiplied by the remainder of the 25 dollar value modifier minus one, and dividing this product by the 26 weighted average daily attendance computed for the 2005-06 school 27 year;

(c) For the 2008-09 school year, the state revenue per
 weighted average daily attendance received by a district from the

state aid calculation under subsections 1 and 4 of this section, 1 2 as applicable, and the classroom trust fund under section 163.043 3 shall not be less than the state revenue received by a district in the 2005-06 school year from the foundation formula, line 14, 4 5 gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payment amounts multiplied by the dollar value 6 7 modifier, and dividing this product by the weighted average daily 8 attendance computed for the 2005-06 school year;

9 (d) For each year subsequent to the 2008-09 school year, 10 the amount shall be no less than that computed in paragraph (c) 11 of this subdivision, multiplied by the weighted average daily 12 attendance pursuant to section 163.036, less any increase in 13 revenue received from the classroom trust fund under section 14 163.043;

15 (2) For districts with an average daily attendance of three 16 hundred fifty or less in the school year preceding the payment 17 year:

18 For the 2006-07 school year, the state revenue received (a) 19 by a district from the state aid calculation under subsections 1 20 and 4 of this section, as applicable, and the classroom trust 21 fund under section 163.043 shall not be less than the greater of 22 state revenue received by a district in the 2004-05 or 2005-06 23 school year from the foundation formula, line 14, gifted, 24 remedial reading, exceptional pupil aid, fair share, and free 25 textbook payment amounts multiplied by the sum of one plus the product of one-third multiplied by the remainder of the dollar 26 27 value modifier minus one;

(b) For the 2007-08 school year, the state revenue received
by a district from the state aid calculation under subsections 1

and 4 of this section, as applicable, and the classroom trust 1 2 fund under section 163.043 shall not be less than the greater of 3 state revenue received by a district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted, 4 remedial reading, exceptional pupil aid, fair share, and free 5 6 textbook payment amounts multiplied by the sum of one plus the 7 product of two-thirds multiplied by the remainder of the dollar 8 value modifier minus one;

9 (c) For the 2008-09 school year, the state revenue received 10 by a district from the state aid calculation under subsections 1 11 and 4 of this section, as applicable, and the classroom trust 12 fund under section 163.043 shall not be less than the greater of 13 state revenue received by a district in the 2004-05 or 2005-06 school year from the foundation formula, line 14, gifted, 14 15 remedial reading, exceptional pupil aid, fair share, and free 16 textbook payment amounts multiplied by the dollar value modifier;

17 (d) For each year subsequent to the 2008-09 school year, 18 the amount shall be no less than that computed in paragraph (c) 19 of this subdivision;

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

3. School districts that meet the requirements of section 163.021 shall receive categorical add-on revenue as provided in this subsection. The categorical add-on for the district shall be the sum of: seventy-five percent of the district allowable transportation costs under section 163.161; the career ladder entitlement for the district, as provided for in sections 168.500

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

4. In the 2006-07 school year and each school year
thereafter for five years, those districts entitled to receive
state aid under the provisions of subsection 1 of this section
shall receive state aid in an amount as provided in this
subsection.

(1) For the 2006-07 school year, the amount shall be 11 12 fifteen percent of the amount of state aid calculated for the 13 district for the 2006-07 school year under the provisions of subsection 1 of this section, plus eighty-five percent of the 14 15 total amount of state revenue received by the district for the 16 2005-06 school year from the foundation formula, line 14, gifted, 17 remedial reading, exceptional pupil aid, fair share, and free 18 textbook payments less any amounts received under section 19 163.043.

20 For the 2007-08 school year, the amount shall be thirty (2)21 percent of the amount of state aid calculated for the district 22 for the 2007-08 school year under the provisions of subsection 1 23 of this section, plus seventy percent of the total amount of 24 state revenue received by the district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial 25 26 reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received under section 163.043. 27

(3) For the 2008-09 school year, the amount of state aid
shall be forty-four percent of the amount of state aid calculated

for the district for the 2008-09 school year under the provisions of subsection 1 of this section plus fifty-six percent of the total amount of state revenue received by the district for the 2005-06 school year from the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free textbook payments less any amounts received under section 163.043.

8 (4) For the 2009-10 school year, the amount of state aid 9 shall be fifty-eight percent of the amount of state aid 10 calculated for the district for the 2009-10 school year under the provisions of subsection 1 of this section plus forty-two percent 11 12 of the total amount of state revenue received by the district for 13 the 2005-06 school year from the foundation formula, line 14, 14 gifted, remedial reading, exceptional pupil aid, fair share, and 15 free textbook payments less any amounts received under section 163.043. 16

17 For the 2010-11 school year, the amount of state aid (5) 18 shall be seventy-two percent of the amount of state aid 19 calculated for the district for the 2010-11 school year under the 20 provisions of subsection 1 of this section plus twenty-eight 21 percent of the total amount of state revenue received by the 22 district for the 2005-06 school year from the foundation formula, 23 line 14, gifted, remedial reading, exceptional pupil aid, fair 24 share, and free textbook payments less any amounts received under section 163.043. 25

(6) For the 2011-12 school year, the amount of state aid
shall be eighty-six percent of the amount of state aid calculated
for the district for the 2011-12 school year under the provisions
of subsection 1 of this section plus fourteen percent of the

total amount of state revenue received by the district for the 2 2005-06 school year from the foundation formula, line 14, gifted, 3 remedial reading, exceptional pupil aid, fair share, and free 4 textbook payments less any amounts received under section 5 163.043.

6 (7) (a) [Notwithstanding subdivision (18) of section 7 163.011, the state adequacy target may not be adjusted downward 8 to accommodate available appropriations in any year governed by 9 this subsection.

(b)] a. For the 2006-07 school year, if a school district 10 11 experiences a decrease in summer school average daily attendance 12 of more than twenty percent from the district's 2005-06 summer 13 school average daily attendance, an amount equal to the product of the percent reduction that is in excess of twenty percent of 14 15 the district's summer school average daily attendance multiplied 16 by the funds generated by the district's summer school program in 17 the 2005-06 school year shall be subtracted from the district's 18 current year payment amount.

19 For the 2007-08 school year, if a school district b. experiences a decrease in summer school average daily attendance 20 21 of more than thirty percent from the district's 2005-06 summer 22 school average daily attendance, an amount equal to the product 23 of the percent reduction that is in excess of thirty percent of 24 the district's summer school average daily attendance multiplied 25 by the funds generated by the district's summer school program in 26 the 2005-06 school year shall be subtracted from the district's 27 payment amount.

c. For the 2008-09 school year, if a school district
 experiences a decrease in summer school average daily attendance

of more than thirty-five percent from the district's 2005-06 summer school average daily attendance, an amount equal to the product of the percent reduction that is in excess of thirty-five percent of the district's summer school average daily attendance multiplied by the funds generated by the district's summer school program in the 2005-06 school year shall be subtracted from the district's payment amount.

8 d. Notwithstanding the provisions of this paragraph, no 9 such reduction shall be made in the case of a district that is 10 receiving a payment under section 163.044 or any district whose 11 regular school term average daily attendance for the preceding 12 year was three hundred fifty or less.

e. This paragraph shall not be construed to permit any reduction applied under this paragraph to result in any district receiving a current-year payment that is less than the amount calculated for such district under subsection 2 of this section.

17 [(c)] (b) If a school district experiences a decrease in 18 its gifted program enrollment of more than twenty percent from 19 its 2005-06 gifted program enrollment in any year governed by 20 this subsection, an amount equal to the product of the percent 21 reduction in the district's gifted program enrollment multiplied 22 by the funds generated by the district's gifted program in the 23 2005-06 school year shall be subtracted from the district's 24 current year payment amount.

5. For any school district meeting the eligibility criteria for state aid as established in section 163.021, but which is considered an option district under section 163.042 and therefore receives no state aid, 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 as provided in section 163.042.

5 6. No less than seventy-five percent of the state (1)revenue received under the provisions of subsections 1, 2, and 4 6 7 of this section shall be placed in the teachers' fund, and the 8 remaining percent of such moneys shall be placed in the 9 incidental fund. No less than seventy-five percent of one-half 10 of the funds received from the school district trust fund distributed under section 163.087 shall be placed in the 11 12 teachers' fund. One hundred percent of revenue received under 13 the provisions of section 163.161 shall be placed in the 14 incidental fund. One hundred percent of revenue received under 15 the provisions of sections 168.500 to 168.515 shall be placed in the teachers' fund. 16

17 (2) A school district shall spend for certificated18 compensation and tuition expenditures each year:

(a) An amount equal to at least seventy-five percent of the
state revenue received under the provisions of subsections 1, 2,
and 4 of this section;

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

(c) Beginning in fiscal year 2008, as much as was spent per
 the second preceding year's weighted average daily attendance for
 certificated compensation and tuition expenditures the previous
 year from revenue produced by local and county tax sources in the

teachers' fund, plus the amount of the incidental fund to 1 2 teachers' fund transfer calculated to be local and county tax 3 sources by dividing local and county tax sources in the incidental fund by total revenue in the incidental fund. 4 In the 5 event a district fails to comply with this provision, the amount by which the district fails to spend funds as provided herein 6 shall be deducted from the district's state revenue received 7 8 under the provisions of subsections 1, 2, and 4 of this section 9 for the following year, provided that the state board of 10 education may exempt a school district from this provision if the state board of education determines that circumstances warrant 11 12 such exemption.

13 7. If a school district's annual audit discloses that 14 students were inappropriately identified as eligible for free and 15 reduced lunch, special education, or limited English proficiency and the district does not resolve the audit finding, the 16 17 department of elementary and secondary education shall require 18 that the amount of aid paid pursuant to the weighting for free 19 and reduced lunch, special education, or limited English 20 proficiency in the weighted average daily attendance on the 21 inappropriately identified pupils be repaid by the district in 22 the next school year and shall additionally impose a penalty of 23 one hundred percent of such aid paid on such pupils, which 24 penalty shall also be paid within the next school year. Such 25 amounts may be repaid by the district through the withholding of 26 the amount of state aid.

8. Notwithstanding any provision of law to the contrary, in
 any fiscal year during which the total formula appropriation is
 insufficient to fully fund the entitlement calculation of this

1	section, the department of elementary and secondary education
2	shall adjust the state adequacy target in order to accommodate
3	the appropriation level for the given fiscal year. In no manner
4	shall any payment modification be rendered for any district
5	qualified to receive payments under subsection 2 of this section
6	based on insufficient appropriations."; and
7	Further amend said bill, section 210.211, page 3, line 66,
8	by inserting after all of said line the following:
9	"Section B. The repeal and reenactment of sections 160.053,
10	160.054, 160.055, 163.011, and 163.031 and the enactment of
11	section 163.018 of this act shall become effective July 1,
12	2015."; and
13	Further amend the title and enacting clause accordingly.