

FIRST REGULAR SESSION

SENATE BILL NO. 424

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR PEARCE.

Read 1st time February 10, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

2073S.01I

AN ACT

To repeal section 160.031 as enacted by house bill no. 1689, ninety-seventh general assembly, second regular session, RSMo, and to enact in lieu thereof one new section relating to state funding for elementary and secondary education, with an emergency clause.

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

Section A. Section 160.031 as enacted by house bill no. 1689, ninety-
2 seventh general assembly, second regular session, RSMo, is repealed and one new
3 section enacted in lieu thereof, to be known as section 163.031, to read as follows:

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

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

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

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

18 the remainder of the dollar value modifier minus one, and dividing this product
19 by the weighted average daily attendance computed for the 2005-06 school year;

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

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

38 (d) For each year subsequent to the 2008-09 school year, the amount shall
39 be no less than that computed in paragraph (c) of this subdivision, multiplied by
40 the weighted average daily attendance pursuant to section 163.036, less any
41 increase in revenue received from the classroom trust fund under section 163.043;
42 (2) For districts with an average daily attendance of three hundred fifty
43 or less in the school year preceding the payment year:

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

52 (b) For the 2007-08 school year, the state revenue received by a district
53 from the state aid calculation under subsections 1 and 4 of this section, as

54 applicable, and the classroom trust fund under section 163.043 shall not be less
55 than the greater of state revenue received by a district in the 2004-05 or 2005-06
56 school year from the foundation formula, line 14, gifted, remedial reading,
57 exceptional pupil aid, fair share, and free textbook payment amounts multiplied
58 by the sum of one plus the product of two-thirds multiplied by the remainder of
59 the dollar value modifier minus one;

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

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

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

72 3. School districts that meet the requirements of section 163.021 shall
73 receive categorical add-on revenue as provided in this subsection. The categorical
74 add-on for the district shall be the sum of: seventy-five percent of the district
75 allowable transportation costs under section 163.161; the career ladder
76 entitlement for the district, as provided for in sections 168.500 to 168.515; the
77 vocational education entitlement for the district, as provided for in section
78 167.332; and the district educational and screening program entitlements as
79 provided for in sections 178.691 to 178.699. The categorical add-on revenue
80 amounts may be adjusted to accommodate available appropriations.

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

85 (1) For the 2006-07 school year, the amount shall be fifteen percent of the
86 amount of state aid calculated for the district for the 2006-07 school year under
87 the provisions of subsection 1 of this section, plus eighty-five percent of the total
88 amount of state revenue received by the district for the 2005-06 school year from
89 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,

90 fair share, and free textbook payments less any amounts received under section
91 163.043.

92 (2) For the 2007-08 school year, the amount shall be thirty percent of the
93 amount of state aid calculated for the district for the 2007-08 school year under
94 the provisions of subsection 1 of this section, plus seventy percent of the total
95 amount of state revenue received by the district for the 2005-06 school year from
96 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,
97 fair share, and free textbook payments less any amounts received under section
98 163.043.

99 (3) For the 2008-09 school year, the amount of state aid shall be forty-four
100 percent of the amount of state aid calculated for the district for the 2008-09
101 school year under the provisions of subsection 1 of this section plus fifty-six
102 percent of the total amount of state revenue received by the district for the
103 2005-06 school year from the foundation formula, line 14, gifted, remedial
104 reading, exceptional pupil aid, fair share, and free textbook payments less any
105 amounts received under section 163.043.

106 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight
107 percent of the amount of state aid calculated for the district for the 2009-10
108 school year under the provisions of subsection 1 of this section plus forty-two
109 percent of the total amount of state revenue received by the district for the
110 2005-06 school year from the foundation formula, line 14, gifted, remedial
111 reading, exceptional pupil aid, fair share, and free textbook payments less any
112 amounts received under section 163.043.

113 (5) For the 2010-11 school year, the amount of state aid shall be
114 seventy-two percent of the amount of state aid calculated for the district for the
115 2010-11 school year under the provisions of subsection 1 of this section plus
116 twenty-eight percent of the total amount of state revenue received by the district
117 for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
118 reading, exceptional pupil aid, fair share, and free textbook payments less any
119 amounts received under section 163.043.

120 (6) For the 2011-12 school year, the amount of state aid shall be eighty-six
121 percent of the amount of state aid calculated for the district for the 2011-12
122 school year under the provisions of subsection 1 of this section plus fourteen
123 percent of the total amount of state revenue received by the district for the
124 2005-06 school year from the foundation formula, line 14, gifted, remedial
125 reading, exceptional pupil aid, fair share, and free textbook payments less any

126 amounts received under section 163.043.

127 (7) (a) a. For the 2006-07 school year, if a school district experiences a
128 decrease in summer school average daily attendance of more than twenty percent
129 from the district's 2005-06 summer school average daily attendance, an amount
130 equal to the product of the percent reduction that is in excess of twenty percent
131 of the district's summer school average daily attendance multiplied by the funds
132 generated by the district's summer school program in the 2005-06 school year
133 shall be subtracted from the district's current year payment amount.

134 b. For the 2007-08 school year, if a school district experiences a decrease
135 in summer school average daily attendance of more than thirty percent from the
136 district's 2005-06 summer school average daily attendance, an amount equal to
137 the product of the percent reduction that is in excess of thirty percent of the
138 district's summer school average daily attendance multiplied by the funds
139 generated by the district's summer school program in the 2005-06 school year
140 shall be subtracted from the district's payment amount.

141 c. For the 2008-09 school year, if a school district experiences a decrease
142 in summer school average daily attendance of more than thirty-five percent from
143 the district's 2005-06 summer school average daily attendance, an amount equal
144 to the product of the percent reduction that is in excess of thirty-five percent of
145 the district's summer school average daily attendance multiplied by the funds
146 generated by the district's summer school program in the 2005-06 school year
147 shall be subtracted from the district's payment amount.

148 d. Notwithstanding the provisions of this paragraph, no such reduction
149 shall be made in the case of a district that is receiving a payment under section
150 163.044 or any district whose regular school term average daily attendance for
151 the preceding year was three hundred fifty or less.

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

156 (b) If a school district experiences a decrease in its gifted program
157 enrollment of more than twenty percent from its 2005-06 gifted program
158 enrollment in any year governed by this subsection, an amount equal to the
159 product of the percent reduction in the district's gifted program enrollment
160 multiplied by the funds generated by the district's gifted program in the 2005-06
161 school year shall be subtracted from the district's current year payment amount.

162 5. For any school district meeting the eligibility criteria for state aid as
163 established in section 163.021, but which is considered an option district under
164 section 163.042 and therefore receives no state aid, the commissioner of education
165 shall present a plan to the superintendent of the school district for the waiver of
166 rules and the duration of said waivers, in order to promote flexibility in the
167 operations of the district and to enhance and encourage efficiency in the delivery
168 of instructional services as provided in section 163.042.

169 6. (1) No less than seventy-five percent of the state revenue received
170 under the provisions of subsections 1, 2, and 4 of this section shall be placed in
171 the teachers' fund, and the remaining percent of such moneys shall be placed in
172 the incidental fund. No less than seventy-five percent of one-half of the funds
173 received from the school district trust fund distributed under section 163.087
174 shall be placed in the teachers' fund. One hundred percent of revenue received
175 under the provisions of section 163.161 shall be placed in the incidental
176 fund. One hundred percent of revenue received under the provisions of sections
177 168.500 to 168.515 shall be placed in the teachers' fund.

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

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

182 (b) An amount equal to at least seventy-five percent of one-half of the
183 funds received from the school district trust fund distributed under section
184 163.087 during the preceding school year; and

185 (c) Beginning in fiscal year 2008, as much as was spent per the second
186 preceding year's weighted average daily attendance for certificated compensation
187 and tuition expenditures the previous year from revenue produced by local and
188 county tax sources in the teachers' fund, plus the amount of the incidental fund
189 to teachers' fund transfer calculated to be local and county tax sources by dividing
190 local and county tax sources in the incidental fund by total revenue in the
191 incidental fund.

192 In the event a district fails to comply with this provision, the amount by which
193 the district fails to spend funds as provided herein shall be deducted from the
194 district's state revenue received under the provisions of subsections 1, 2, and 4
195 of this section for the following year, provided that the state board of education
196 may exempt a school district from this provision if the state board of education
197 determines that circumstances warrant such exemption.

198 7. If a school district's annual audit discloses that students were
199 inappropriately identified as eligible for free and reduced lunch, special
200 education, or limited English proficiency and the district does not resolve the
201 audit finding, the department of elementary and secondary education shall
202 require that the amount of aid paid pursuant to the weighting for free and
203 reduced lunch, special education, or limited English proficiency in the weighted
204 average daily attendance on the inappropriately identified pupils be repaid by the
205 district in the next school year and shall additionally impose a penalty of one
206 hundred percent of such aid paid on such pupils, which penalty shall also be paid
207 within the next school year. Such amounts may be repaid by the district through
208 the withholding of the amount of state aid.

209 8. Notwithstanding any provision of law to the contrary, **beginning on**
210 **July 1, 2017**, in any fiscal year during which the total formula appropriation is
211 insufficient to fully fund the entitlement calculation of this section, the
212 department of elementary and secondary education shall adjust the state
213 adequacy target in order to accommodate the appropriation level for the given
214 fiscal year. **Beginning on July 1, 2017**, in no manner shall any payment
215 modification be rendered for any district qualified to receive payments under
216 subsection 2 of this section based on insufficient appropriations.

Section B. Because of the importance of ensuring adequate state funding
2 for all public schools in the state of Missouri, section A of this act is deemed
3 necessary for the immediate preservation of the public health, welfare, peace and
4 safety, and is hereby declared to be an emergency act within the meaning of the
5 constitution, and section A of this act shall be in full force and effect on July 1,
6 2015, or upon its passage and approval, whichever occurs later.

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