

SECOND REGULAR SESSION

SENATE BILL NO. 586

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WASSON.

Pre-filed December 1, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4833S.05I

AN ACT

To repeal section 163.011, RSMo, and to enact in lieu thereof one new section relating to state aid for schools, with an emergency clause.

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

Section A. Section 163.011, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 163.011, to read as follows:

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

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

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

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

27 (3) "Current operating expenditures":

28 (a) For the fiscal year 2007 calculation, "current operating expenditures"
29 shall be calculated using data from fiscal year 2004 and shall be calculated as all
30 expenditures for instruction and support services except capital outlay and debt
31 service expenditures minus the revenue from federal categorical sources; food
32 service; student activities; categorical payments for transportation costs pursuant
33 to section 163.161; state reimbursements for early childhood special education;
34 the career ladder entitlement for the district, as provided for in sections 168.500
35 to 168.515; the vocational education entitlement for the district, as provided for
36 in section 167.332; and payments from other districts;

37 (b) In every fiscal year subsequent to fiscal year 2007, current operating
38 expenditures shall be the amount in paragraph (a) of this subdivision plus any
39 increases in state funding pursuant to sections 163.031 and 163.043 subsequent
40 to fiscal year 2005, not to exceed five percent, per recalculation, of the state
41 revenue received by a district in the 2004-05 school year from the foundation
42 formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and
43 free textbook payments for any district from the first preceding calculation of the
44 state adequacy target. Beginning on July 1, 2010, current operating expenditures
45 shall be the amount in paragraph (a) of this subdivision plus any increases in
46 state funding pursuant to sections 163.031 and 163.043 subsequent to fiscal year
47 2005 received by a district in the 2004-05 school year from the foundation
48 formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and
49 free textbook payments for any district from the first preceding calculation of the
50 state adequacy target; **provided that, when used to recalculate the state**
51 **adequacy target as provided in subdivision (18) of this section, any**
52 **increase in state funding attributable to an individual district shall be**
53 **limited to two hundred percent of the aggregate percentage increase**
54 **in state funding for all of the performance districts used in the same**
55 **recalculation;**

56 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect

57 subsequent to the 1980 tax year or any subsequent year. Such tax rate ceiling
58 shall not contain any tax levy for debt service;

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

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

67 (b) "Regional wage per job":

68 a. The total Missouri wage and salary disbursements of the metropolitan
69 area as defined by the Office of Management and Budget divided by the total
70 Missouri metropolitan wage and salary employment for the metropolitan area for
71 the county signified in the school district number or the City of St. Louis, as
72 reported by the Bureau of Economic Analysis of the United States Department
73 of Commerce for the fourth year preceding the payment year and recalculated
74 upon every decennial census to incorporate counties that are newly added to the
75 description of metropolitan areas; or if no such metropolitan area is established,
76 then:

77 b. The total Missouri wage and salary disbursements of the micropolitan
78 area as defined by the Office of Management and Budget divided by the total
79 Missouri micropolitan wage and salary employment for the micropolitan area for
80 the county signified in the school district number, as reported by the Bureau of
81 Economic Analysis of the United States Department of Commerce for the fourth
82 year preceding the payment year, if a micropolitan area for such county has been
83 established and recalculated upon every decennial census to incorporate counties
84 that are newly added to the description of micropolitan areas; or

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

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

91 (d) "State median wage per job", the fifty-eighth highest county wage per
92 job;

93 (6) "Free and reduced lunch pupil count", for school districts not eligible
94 for and those that do not choose the USDA Community Eligibility Option, the
95 number of pupils eligible for free and reduced lunch on the last Wednesday in
96 January for the preceding school year who were enrolled as students of the
97 district, as approved by the department in accordance with applicable federal
98 regulations. For eligible school districts that choose the USDA Community
99 Eligibility Option, the free and reduced lunch pupil count shall be the percentage
100 of free and reduced lunch students calculated as eligible on the last Wednesday
101 in January of the most recent school year that included household applications
102 to determine free and reduced lunch count multiplied by the district's average
103 daily attendance figure;

104 (7) "Free and reduced lunch threshold" shall be calculated by dividing the
105 total free and reduced lunch pupil count of every performance district that falls
106 entirely above the bottom five percent and entirely below the top five percent of
107 average daily attendance, when such districts are rank-ordered based on their
108 current operating expenditures per average daily attendance, by the total average
109 daily attendance of all included performance districts;

110 (8) "Limited English proficiency pupil count", the number in the preceding
111 school year of pupils aged three through twenty-one enrolled or preparing to
112 enroll in an elementary school or secondary school who were not born in the
113 United States or whose native language is a language other than English or are
114 Native American or Alaskan native, or a native resident of the outlying areas,
115 and come from an environment where a language other than English has had a
116 significant impact on such individuals' level of English language proficiency, or
117 are migratory, whose native language is a language other than English, and who
118 come from an environment where a language other than English is dominant; and
119 have difficulties in speaking, reading, writing, or understanding the English
120 language sufficient to deny such individuals the ability to meet the state's
121 proficient level of achievement on state assessments described in Public Law
122 107-10, the ability to achieve successfully in classrooms where the language of
123 instruction is English, or the opportunity to participate fully in society;

124 (9) "Limited English proficiency threshold" shall be calculated by dividing
125 the total limited English proficiency pupil count of every performance district that
126 falls entirely above the bottom five percent and entirely below the top five percent
127 of average daily attendance, when such districts are rank-ordered based on their
128 current operating expenditures per average daily attendance, by the total average

129 daily attendance of all included performance districts;

130 (10) "Local effort":

131 (a) For the fiscal year 2007 calculation, "local effort" shall be computed as
132 the equalized assessed valuation of the property of a school district in calendar
133 year 2004 divided by one hundred and multiplied by the performance levy less the
134 percentage retained by the county assessor and collector plus one hundred
135 percent of the amount received in fiscal year 2005 for school purposes from
136 intangible taxes, fines, escheats, payments in lieu of taxes and receipts from
137 state-assessed railroad and utility tax, one hundred percent of the amount
138 received for school purposes pursuant to the merchants' and manufacturers' taxes
139 under sections 150.010 to 150.370, one hundred percent of the amounts received
140 for school purposes from federal properties under sections 12.070 and 12.080
141 except when such amounts are used in the calculation of federal impact aid
142 pursuant to P.L. 81-874, fifty percent of Proposition C revenues received for
143 school purposes from the school district trust fund under section 163.087, and one
144 hundred percent of any local earnings or income taxes received by the district for
145 school purposes. Under this paragraph, for a special district established under
146 sections 162.815 to 162.940 in a county with a charter form of government and
147 with more than one million inhabitants, a tax levy of zero shall be utilized in lieu
148 of the performance levy for the special school district;

149 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the
150 amount calculated under paragraph (a) of this subdivision plus any increase in
151 the amount received for school purposes from fines. If a district's assessed
152 valuation has decreased subsequent to the calculation outlined in paragraph (a)
153 of this subdivision, the district's local effort shall be calculated using the district's
154 current assessed valuation in lieu of the assessed valuation utilized in the
155 calculation outlined in paragraph (a) of this subdivision. When a change in a
156 school district's boundary lines occurs because of a boundary line change,
157 annexation, attachment, consolidation, reorganization, or dissolution under
158 section 162.071, 162.081, sections 162.171 to 162.201, section 162.221, 162.223,
159 162.431, 162.441, or 162.451, or in the event that a school district assumes any
160 territory from a district that ceases to exist for any reason, the department of
161 elementary and secondary education shall make a proper adjustment to each
162 affected district's local effort, so that each district's local effort figure conforms
163 to the new boundary lines of the district. The department shall compute the local
164 effort figure by applying the calendar year 2004 assessed valuation data to the

165 new land areas resulting from the boundary line change, annexation, attachment,
166 consolidation, reorganization, or dissolution and otherwise follow the procedures
167 described in this subdivision;

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

169 (a) The number of resident full-time students and the full-time equivalent
170 number of part-time students who were enrolled in the public schools of the
171 district on the last Wednesday in September of the previous year and who were
172 in attendance one day or more during the preceding ten school days; and

173 (b) The number of resident full-time students and the full-time equivalent
174 number of part-time students who were enrolled in the public schools of the
175 district on the last Wednesday in January of the previous year and who were in
176 attendance one day or more during the preceding ten school days, plus the
177 full-time equivalent number of summer school pupils. "Full-time equivalent
178 number of part-time students" is determined by dividing the total number of
179 hours for which all part-time students are enrolled by the number of hours in the
180 school term. "Full-time equivalent number of summer school pupils" is
181 determined by dividing the total number of hours for which all summer school
182 pupils were enrolled by the number of hours required pursuant to section 160.011
183 in the school term. Only students eligible to be counted for average daily
184 attendance shall be counted for membership;

185 (12) "Operating levy for school purposes", the sum of tax rates levied for
186 teachers' and incidental funds plus the operating levy or sales tax equivalent
187 pursuant to section 162.1100 of any transitional school district containing the
188 school district, in the payment year, not including any equalized operating levy
189 for school purposes levied by a special school district in which the district is
190 located;

191 (13) "Performance district", any district that has met performance
192 standards and indicators as established by the department of elementary and
193 secondary education for purposes of accreditation under section 161.092 and as
194 reported on the final annual performance report for that district each year; for
195 calculations to be utilized for payments in fiscal years subsequent to fiscal year
196 2018, the number of performance districts shall not exceed twenty-five percent of
197 all public school districts;

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

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

200 (16) "Special education pupil count", the number of public school students

201 with a current individualized education program or services plan and receiving
202 services from the resident district as of December first of the preceding school
203 year, except for special education services provided through a school district
204 established under sections 162.815 to 162.940 in a county with a charter form of
205 government and with more than one million inhabitants, in which case the sum
206 of the students in each district within the county exceeding the special education
207 threshold of each respective district within the county shall be counted within the
208 special district and not in the district of residence for purposes of distributing the
209 state aid derived from the special education pupil count;

210 (17) "Special education threshold" shall be calculated by dividing the total
211 special education pupil count of every performance district that falls entirely
212 above the bottom five percent and entirely below the top five percent of average
213 daily attendance, when such districts are rank-ordered based on their current
214 operating expenditures per average daily attendance, by the total average daily
215 attendance of all included performance districts;

216 (18) "State adequacy target", the sum of the current operating
217 expenditures of every performance district that falls entirely above the bottom
218 five percent and entirely below the top five percent of average daily attendance,
219 when such districts are rank-ordered based on their current operating
220 expenditures per average daily attendance, divided by the total average daily
221 attendance of all included performance districts. The department of elementary
222 and secondary education shall first calculate the state adequacy target for fiscal
223 year 2007 and recalculate the state adequacy target every two years using the
224 most current available data. The recalculation shall never result in a decrease
225 from the previous state adequacy target amount. Should a recalculation result
226 in an increase in the state adequacy target amount, fifty percent of that increase
227 shall be included in the state adequacy target amount in the year of recalculation,
228 and fifty percent of that increase shall be included in the state adequacy target
229 amount in the subsequent year. The state adequacy target may be adjusted to
230 accommodate available appropriations as provided in subsection 7 of section
231 163.031;

232 (19) "Teacher", any teacher, teacher-secretary, substitute teacher,
233 supervisor, principal, supervising principal, superintendent or assistant
234 superintendent, school nurse, social worker, counselor or librarian who shall,
235 regularly, teach or be employed for no higher than grade twelve more than
236 one-half time in the public schools and who is certified under the laws governing

237 the certification of teachers in Missouri;

238 (20) "Weighted average daily attendance", the average daily attendance
239 plus the product of twenty-five hundredths multiplied by the free and reduced
240 lunch pupil count that exceeds the free and reduced lunch threshold, plus the
241 product of seventy-five hundredths multiplied by the number of special education
242 pupil count that exceeds the special education threshold, plus the product of
243 six-tenths multiplied by the number of limited English proficiency pupil count
244 that exceeds the limited English proficiency threshold. For special districts
245 established under sections 162.815 to 162.940 in a county with a charter form of
246 government and with more than one million inhabitants, weighted average daily
247 attendance shall be the average daily attendance plus the product of twenty-five
248 hundredths multiplied by the free and reduced lunch pupil count that exceeds the
249 free and reduced lunch threshold, plus the product of seventy-five hundredths
250 multiplied by the sum of the special education pupil count that exceeds the
251 threshold for each county district, plus the product of six-tenths multiplied by the
252 limited English proficiency pupil count that exceeds the limited English
253 proficiency threshold. None of the districts comprising a special district
254 established under sections 162.815 to 162.940 in a county with a charter form of
255 government and with more than one million inhabitants, shall use any special
256 education pupil count in calculating their weighted average daily attendance.

Section B. Because of the importance of ensuring the adequate state
2 funding for all public schools in the state of Missouri, section A of this act is
3 deemed necessary for the immediate preservation of the public health, welfare,
4 peace and safety, and is hereby declared to be an emergency act within the
5 meaning of the constitution, and section A of this act shall be in full force and
6 effect on July 1, 2016, or upon its passage and approval, whichever occurs later.

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