

SECOND REGULAR SESSION

SENATE BILL NO. 904

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR PEARCE.

Read 1st time January 13, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5842S.011

AN ACT

To repeal sections 162.720 and 163.031, RSMo, and to enact in lieu thereof two new sections relating to gifted education, with a delayed effective date for a certain section.

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

Section A. Sections 162.720 and 163.031, RSMo, are repealed and two new
2 sections enacted in lieu thereof, to be known as sections 162.720 and 163.031, to
3 read as follows:

162.720. 1. Where a sufficient number of children are determined to be
2 gifted and their development requires programs or services beyond the level of
3 those ordinarily provided in regular public school programs, districts may
4 establish special programs for such gifted children.

5 2. The state board of education shall determine standards for such
6 programs. Approval of such programs shall be made by the state department of
7 elementary and secondary education based upon project applications submitted
8 by July fifteenth of each year.

9 **3. No district shall make a determination as to whether a child**
10 **is gifted based on the child's participation in an advanced placement**
11 **course or international baccalaureate course. Districts shall determine**
12 **a child is gifted only if the child meets the definition of "gifted**
13 **children" as provided in section 162.675.**

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

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

5 by the dollar value modifier for the district, and subtracting from this product the
6 district's local effort and subtracting payments from the classroom trust fund
7 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 2008-09 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 **163.031 as it existed on July 1, 2015**, as
14 applicable, and the classroom trust fund under section 163.043 shall not be less
15 than the state revenue received by a district in the 2005-06 school year from the
16 foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair
17 share, and free textbook payment amounts multiplied by the dollar value
18 modifier, and dividing this product by the weighted average daily attendance
19 computed for the 2005-06 school year;

20 (b) For each year subsequent to the 2008-09 school year, the amount shall
21 be no less than that computed in paragraph (a) of this subdivision, multiplied by
22 the weighted average daily attendance pursuant to section 163.036, less any
23 increase in revenue received from the classroom trust fund under section 163.043;

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

26 (a) For the 2008-09 school year, the state revenue received by a district
27 from the state aid calculation under subsections 1 and 4 of [this] section **163.031**
28 **as it existed on July 1, 2015**, as applicable, and the classroom trust fund
29 under section 163.043 shall not be less than the greater of state revenue received
30 by a district in the 2004-05 or 2005-06 school year from the foundation formula,
31 line 14, gifted, remedial reading, exceptional pupil aid, fair share, and free
32 textbook payment amounts multiplied by the dollar value modifier;

33 (b) For each year subsequent to the 2008-09 school year, the amount shall
34 be no less than that computed in paragraph (a) of this subdivision;

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

38 3. School districts that meet the requirements of section 163.021 shall
39 receive categorical add-on revenue as provided in this subsection. The categorical
40 add-on for the district shall be the sum of: seventy-five percent of the district

41 allowable transportation costs under section 163.161; the career ladder
42 entitlement for the district, as provided for in sections 168.500 to 168.515; the
43 vocational education entitlement for the district, as provided for in section
44 167.332; and the district educational and screening program entitlements as
45 provided for in sections 178.691 to 178.699. The categorical add-on revenue
46 amounts may be adjusted to accommodate available appropriations.

47 4. For any school district meeting the eligibility criteria for state aid as
48 established in section 163.021, but which is considered an option district under
49 section 163.042 and therefore receives no state aid, the commissioner of education
50 shall present a plan to the superintendent of the school district for the waiver of
51 rules and the duration of said waivers, in order to promote flexibility in the
52 operations of the district and to enhance and encourage efficiency in the delivery
53 of instructional services as provided in section 163.042.

54 5. (1) No less than seventy-five percent of the state revenue received
55 under the provisions of subsections 1 and 2 of this section shall be placed in the
56 teachers' fund, and the remaining percent of such moneys shall be placed in the
57 incidental fund. No less than seventy-five percent of one-half of the funds
58 received from the school district trust fund distributed under section 163.087
59 shall be placed in the teachers' fund. One hundred percent of revenue received
60 under the provisions of section 163.161 shall be placed in the incidental
61 fund. One hundred percent of revenue received under the provisions of sections
62 168.500 to 168.515 shall be placed in the teachers' fund.

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

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

67 (b) An amount equal to at least seventy-five percent of one-half of the
68 funds received from the school district trust fund distributed under section
69 163.087 during the preceding school year; and

70 (c) Beginning in fiscal year 2008, as much as was spent per the second
71 preceding year's weighted average daily attendance for certificated compensation
72 and tuition expenditures the previous year from revenue produced by local and
73 county tax sources in the teachers' fund, plus the amount of the incidental fund
74 to teachers' fund transfer calculated to be local and county tax sources by dividing
75 local and county tax sources in the incidental fund by total revenue in the
76 incidental fund.

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

83 **6. (1)** If a school district's annual audit discloses that students were
84 inappropriately identified as eligible for free and reduced lunch, special
85 education, or limited English proficiency and the district does not resolve the
86 audit finding, the department of elementary and secondary education shall
87 require that the amount of aid paid pursuant to the weighting for free and
88 reduced lunch, special education, or limited English proficiency in the weighted
89 average daily attendance on the inappropriately identified pupils be repaid by the
90 district in the next school year and shall additionally impose a penalty of one
91 hundred percent of such aid paid on such pupils, which penalty shall also be paid
92 within the next school year. Such amounts may be repaid by the district through
93 the withholding of the amount of state aid.

94 **(2)** In the 2017-18 school year and in each subsequent school
95 year, if a district experiences a decrease in its gifted program
96 enrollment of twenty percent or more from the previous school year, an
97 amount equal to the product of the difference between the number of
98 students enrolled in the gifted program in the current school year and
99 the number of students enrolled in the gifted program in the previous
100 school year multiplied by six hundred eighty dollars shall be subtracted
101 from the district's current year payment amount.

102 **7.** Notwithstanding any provision of law to the contrary, in any fiscal year
103 during which the total formula appropriation is insufficient to fully fund the
104 entitlement calculation of this section, the department of elementary and
105 secondary education shall adjust the state adequacy target in order to
106 accommodate the appropriation level for the given fiscal year. In no manner shall
107 any payment modification be rendered for any district qualified to receive
108 payments under subsection 2 of this section based on insufficient appropriations.

Section B. Section 163.031 of Section A of this act shall become effective
2 July 1, 2017.

✓