

FIRST REGULAR SESSION

# SENATE BILL NO. 447

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR EMERY.

Read 1st time February 26, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

2045S.011

## AN ACT

To repeal section 163.031, RSMo, and to enact in lieu thereof two new sections relating to determination of state school aid.

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

Section A. Section 163.031, RSMo, is repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 163.031 and 163.045, to read as  
3 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 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, 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 dollar value modifier, and dividing this product by the  
18 weighted average daily attendance computed for the 2005-06 school year;

19 (b) For each year subsequent to the 2008-09 school year, the amount shall

20 be no less than that computed in paragraph (a) of this subdivision, multiplied by  
21 the weighted average daily attendance pursuant to section 163.036, less any  
22 increase in revenue received from the classroom trust fund under section 163.043;

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

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

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

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

37 3. School districts that meet the requirements of section 163.021 shall  
38 receive categorical add-on revenue as provided in this subsection. The categorical  
39 add-on for the district shall be the sum of: seventy-five percent of the district  
40 allowable transportation costs under section 163.161; the career ladder  
41 entitlement for the district, as provided for in sections 168.500 to 168.515; the  
42 vocational education entitlement for the district, as provided for in section  
43 167.332; and the district educational and screening program entitlements as  
44 provided for in sections 178.691 to 178.699. The categorical add-on revenue  
45 amounts may be adjusted to accommodate available appropriations.

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

53 5. (1) No less than seventy-five percent of the state revenue received  
54 under the provisions of subsections 1 and 2 of this section shall be placed in the  
55 teachers' fund, and the remaining percent of such moneys shall be placed in the

56 incidental fund. No less than seventy-five percent of one-half of the funds  
57 received from the school district trust fund distributed under section 163.087  
58 shall be placed in the teachers' fund. One hundred percent of revenue received  
59 under the provisions of section 163.161 shall be placed in the incidental  
60 fund. One hundred percent of revenue received under the provisions of sections  
61 168.500 to 168.515 shall be placed in the teachers' fund.

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

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

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

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

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

82 6. (1) If a school district's annual audit discloses that students were  
83 inappropriately identified as eligible for free and reduced price lunch, special  
84 education, or limited English proficiency and the district does not resolve the  
85 audit finding, the department of elementary and secondary education shall  
86 require that the amount of aid paid pursuant to the weighting for free and  
87 reduced price lunch, special education, or limited English proficiency in the  
88 weighted average daily attendance on the inappropriately identified pupils be  
89 repaid by the district in the next school year and shall additionally impose a  
90 penalty of one hundred percent of such aid paid on such pupils, which penalty  
91 shall also be paid within the next school year. Such amounts may be repaid by

92 the district through the withholding of the amount of state aid.

93 (2) In the 2017-18 school year and in each subsequent school year, if a  
94 district experiences a decrease in its gifted program enrollment of twenty percent  
95 or more from the previous school year, an amount equal to the product of the  
96 difference between the number of students enrolled in the gifted program in the  
97 current school year and the number of students enrolled in the gifted program in  
98 the previous school year multiplied by six hundred eighty dollars shall be  
99 subtracted from the district's current year payment amount. The provisions of  
100 this subdivision shall apply to districts entitled to receive state aid payments  
101 under both subsections 1 and 2 of this section but shall not apply to any school  
102 district with an average daily attendance of three hundred fifty or less.

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

110 **8. In addition to the amount calculated and distributed to each**  
111 **school district under this section, the department of elementary and**  
112 **secondary education shall distribute additional funds to any school**  
113 **district, regardless of whether said district is paid under subsection 1,**  
114 **2, or 7 of this section, that meet the performance goals as specified in**  
115 **section 163.045.**

**163.045. 1. Any district with a free and reduced price lunch pupil**  
2 **count that is less than fifty percent of the total population of the**  
3 **district and classified by the department as accredited with distinction**  
4 **under the MSIP-5, or any such successor assessment system, shall**  
5 **receive an additional payment equal to four hundred dollars times the**  
6 **weighted daily average attendance of the district. Any district with a**  
7 **free and reduced price lunch pupil count that is equal to or greater**  
8 **than fifty percent but less than sixty percent of the total population of**  
9 **the district and classified by the department as accredited with**  
10 **distinction under the MSIP-5, or any such successor assessment system,**  
11 **shall receive an additional payment equal to five hundred dollars times**  
12 **the weighted average daily attendance of the district. Any district with**

13 a free and reduced price lunch pupil count that is equal to or greater  
14 than sixty percent of the total population of the district and classified  
15 by the department as accredited with distinction under the MSIP-5, or  
16 any such successor assessment system, shall receive an additional  
17 payment equal to six hundred dollars times the weighted average daily  
18 attendance of the district. Payments made under this subsection shall  
19 be utilized by the district to increase teacher salaries, hire additional  
20 teachers, or to annex portions of other districts not classified as  
21 accredited with distinction, as determined by the district.

22 2. For districts not qualified under subsection 1 of this section,  
23 any district that operates at least one attendance center that exceeds  
24 annual improvement goals on the measures of academic progress (MAP)  
25 assessments in English language arts, mathematics, science, or social  
26 studies under MSIP-5, or any such successor assessment system, shall  
27 receive additional payment under section 163.031 as determined under  
28 subdivisions (1), (2), or (3) of this subsection. In determining whether  
29 an attendance center has exceeded annual improvement goals on the  
30 aforementioned assessments, the department shall only certify an  
31 attendance center as "exceeding annual improvement goals" if such  
32 center has demonstrated annual improvement equal to or greater than  
33 five percent improvement based on the MAP Performance Index or  
34 National Congress of Employers (NCE) Gap.

35 (1) Any district with a free and reduced price lunch pupil count  
36 that is less than fifty percent of the total population of the district shall  
37 receive an additional payment of four hundred dollars times the  
38 weighted average daily attendance of the attendance center or centers  
39 that exceed annual improvement goals under this subsection.

40 (2) Any district with a free and reduced price lunch pupil count  
41 that is greater than fifty percent but less than sixty percent of the total  
42 population of the district shall receive an additional payment of five  
43 hundred dollars times the weighted average daily attendance of the  
44 attendance center or centers that exceed annual improvement goals  
45 under this subsection.

46 (3) Any district with a free and reduced price lunch pupil count  
47 that is greater than sixty percent of the total population of the district  
48 shall receive an additional payment of six hundred dollars times the  
49 weighted average daily attendance of the attendance center or centers

50 that exceed annual improvement goals under this subsection.

51 Payments made under this subsection shall be utilized by the district  
52 to increase teacher salaries or hire additional teachers in the  
53 attendance center or centers that exceeded annual improvement goals,  
54 expand the attendance centers or the attendance area of the attendance  
55 center that exceeds annual improvement goals, or to replicate the  
56 attendance center or model other attendance centers in the district  
57 based on the attendance center that exceeded annual improvement  
58 goals.

59 3. Districts receiving funds under this section shall account for  
60 the funds separately and report to the department the manner in which  
61 the funds were utilized.

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Bill

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