SENATE SUBSTITUTE

FOR

SENATE BILL NO. 869

AN ACT

To repeal section 160.415, RSMo, and to enact in lieu thereof one new section relating to charter school funding.

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| Be it enacted by the General Assembly of the State of Missouri, as follows: | |
| | Section A. Section 160.415, RSMo, is repealed and one new |
| 2 | section enacted in lieu thereof, to be known as section 160.415, |
| 3 | to read as follows: |
| | 160.415. 1. This section shall be known and may be |
| 2 | cited as the "Charter School Funding Act." |
| 3 | 2. For the purposes of calculation and distribution of |
| 4 | state school aid under section 163.031, pupils enrolled in a |
| 5 | charter school shall be included in the pupil enrollment of |
| 6 | the school district within which each pupil resides. Each |
| 7 | charter school shall report the [names, addresses, and] |
| 8 | eligibility for free and reduced price lunch, special |
| 9 | education, or limited English proficiency status, as well as |
| 10 | eligibility for categorical aid, of pupils resident in a |
| 11 | school district who are enrolled in the charter school to |
| 12 | the school district in which those pupils reside. The |
| 13 | charter school shall report the average daily attendance |
| 14 | data, free and reduced price lunch count, special education |
| 15 | pupil count, and limited English proficiency pupil count to |
| 16 | the state department of elementary and secondary education. |
| 17 | Each charter school shall promptly notify the state |
| 18 | department of elementary and secondary education and the |
| 19 | pupil's school district when a [student] pupil discontinues |
| 20 | enrollment at a charter school. |
| | |

[2.] <u>3. This subsection shall apply in all school</u>
<u>districts, except metropolitan school districts, for all</u>
<u>school years ending before July 1, 2023. This subsection</u>
<u>shall apply in all metropolitan school districts for all</u>
<u>school years ending before July 1, 2028.</u> Except as provided
in subsections 3 and 4 of this section, the aid payments for
charter schools shall be as described in this subsection.

28 (1) A school district having one or more resident 29 pupils attending a charter school shall pay to the charter 30 school an annual amount equal to the product of the charter school's weighted average daily attendance and the state 31 adequacy target, multiplied by the dollar value modifier for 32 33 the district, plus local tax revenues per weighted average daily attendance from the incidental and teachers' funds in 34 excess of the performance levy as defined in section 163.011 35 plus all other state aid attributable to such pupils. 36

37 (2) The district of residence of a pupil attending a
38 charter school shall also pay to the charter school any
39 other federal or state aid that the district receives on
40 account of such [child] <u>pupil</u>.

41 (3) If the department overpays or underpays the amount
42 due to the charter school, such overpayment or underpayment
43 shall be repaid by the [public] charter school or credited
44 to the [public] charter school in twelve equal payments in
45 the next fiscal year.

46 (4) The amounts provided pursuant to this subsection47 shall be prorated for partial year enrollment for a pupil.

(5) A school district shall pay the amounts due
pursuant to this subsection as the disbursal agent and no
later than twenty days following the receipt of any such
funds. The department of elementary and secondary education
shall pay the amounts due when it acts as the disbursal
agent within five days of the required due date.

54 [3.] 4. This subsection shall apply in all school districts, except metropolitan school districts, for all 55 56 school years ending before July 1, 2023. This subsection shall apply in all metropolitan school districts for all 57 school years ending before July 1, 2028. A workplace 58 59 charter school shall receive payment for each eligible pupil as provided under subsection 2 of this section, except that 60 61 if the [student] pupil is not a resident of the district and is participating in a voluntary interdistrict transfer 62 63 program, the payment for such pupils shall be the same as 64 provided under section 162.1060.

65 [4.] 5. This subsection shall apply in all school 66 districts, except metropolitan school districts, for all school years ending before July 1, 2023. This subsection 67 shall apply in all metropolitan school districts for all 68 69 school years ending before July 1, 2028. A charter school 70 that has declared itself as a local educational agency shall receive from the department of elementary and secondary 71 72 education an annual amount equal to the product of the charter school's weighted average daily attendance and the 73 74 state adequacy target, multiplied by the dollar value 75 modifier for the district, plus local tax revenues per 76 weighted average daily attendance from the incidental and 77 teachers funds in excess of the performance levy as defined 78 in section 163.011 plus all other state aid attributable to 79 such pupils. If a charter school declares itself as a local 80 educational agency, the department of elementary and secondary education shall, upon notice of the declaration, 81 82 reduce the payment made to the school district by the amount 83 specified in this subsection and pay directly to the charter school the annual amount reduced from the school district's 84 85 payment.

86 [5.] 6. This subsection shall apply in all school 87 districts, except metropolitan school districts, for all 88 school years ending before July 1, 2023. This subsection shall apply in all metropolitan school districts for all 89 90 school years ending before July 1, 2028. If a school 91 district fails to make timely payments of any amount for which it is the disbursal agent, the state department of 92 93 elementary and secondary education shall authorize payment 94 to the charter school of the amount due pursuant to 95 subsection 2 of this section and shall deduct the same amount from the next state school aid apportionment to the 96 owing school district. If a charter school is paid more or 97 98 less than the amounts due pursuant to this section, the 99 amount of overpayment or underpayment shall be adjusted 100 equally in the next twelve payments by the school district or the department of elementary and secondary education, as 101 102 appropriate. Any dispute between the school district and a charter school as to the amount owing to the charter school 103 104 shall be resolved by the department of elementary and secondary education, and the department's decision shall be 105 106 the final administrative action for the purposes of review 107 pursuant to chapter 536. During the period of dispute, the 108 department of elementary and secondary education shall make 109 every administrative and statutory effort to allow the continued education of [children] students in their current 110 [public] charter school setting. 111

112 [6.] 7. The charter school and a local school board 113 may agree by contract for services to be provided by the 114 school district to the charter school. The charter school 115 may contract with any other entity for services. Such 116 services may include but are not limited to food service, 117 custodial service, maintenance, management assistance, 118 curriculum assistance, media services and libraries and

119 shall be subject to negotiation between the charter school 120 and the local school board or other entity. Documented 121 actual costs of such services shall be paid for by the 122 charter school.

[7.] <u>8.</u> In the case of a proposed charter school that intends to contract with an education service provider for substantial educational services or management services, the request for proposals shall additionally require the charter school applicant to:

(1) Provide evidence of the education service
provider's success in serving student populations similar to
the targeted population, including demonstrated academic
achievement as well as successful management of nonacademic
school functions, if applicable;

133 Provide a term sheet setting forth the proposed (2)duration of the service contract; roles and responsibilities 134 135 of the governing board, the school staff, and the service provider; scope of services and resources to be provided by 136 137 the service provider; performance evaluation measures and time lines; compensation structure, including clear 138 identification of all fees to be paid to the service 139 provider; methods of contract oversight and enforcement; 140 investment disclosure; and conditions for renewal and 141 142 termination of the contract;

143 (3) Disclose any known conflicts of interest between
144 the school governing board and proposed service provider or
145 any affiliated business entities;

146 (4) Disclose and explain any termination or nonrenewal
147 of contracts for equivalent services for any other charter
148 school in the United States within the past five years;

149 (5) Ensure that the legal counsel for the charter
150 school shall report directly to the charter school's
151 governing board; and

(6) Provide a process to ensure that the expenditures
that the education service provider intends to bill to the
charter school shall receive prior approval of the governing
board or its designee.

[8.] <u>9.</u> A charter school may enter into contracts with
community partnerships and state agencies acting in
collaboration with such partnerships that provide services
to [children] students and their families linked to the
school.

[9.] <u>10.</u> A charter school shall be eligible for
transportation state aid pursuant to section 163.161 and
shall be free to contract with the local district, or any
other entity, for the provision of transportation to the
students of the charter school.

166 [10.] 11. (1) The proportionate share of state and 167 federal resources generated by students with disabilities or 168 staff serving them shall be paid in full to charter schools enrolling those students by their school district where such 169 170 enrollment is through a contract for services described in this section. The proportionate share of money generated 171 under other federal or state categorical aid programs shall 172 173 be directed to charter schools serving such students eligible for that aid. 174

(2) A charter school shall provide the special
services provided pursuant to section 162.705 and may
provide the special services pursuant to a contract with a
school district or any provider of such services.

179 [11.] <u>12.</u> A charter school [may] <u>shall</u> not charge 180 tuition or impose fees that a school district is prohibited 181 from charging or imposing, except that a charter school may 182 receive tuition payments from districts in the same or an 183 adjoining county for nonresident students who transfer to an

184 approved charter school, as defined in section 167.895, from 185 an unaccredited district.

[12.] 13. A charter school is authorized to incur debt 186 in anticipation of receipt of funds. A charter school may 187 also borrow to finance facilities and other capital items. 188 189 A school district may incur bonded indebtedness or take 190 other measures to provide for physical facilities and other 191 capital items for charter schools that it sponsors or 192 contracts with. Except as otherwise specifically provided 193 in sections 160.400 to 160.425, upon the dissolution of a 194 charter school, any liabilities of the corporation will be satisfied through the procedures of chapter 355. A charter 195 196 school shall satisfy all its financial obligations within 197 twelve months of notice from the sponsor of the charter 198 school's closure under subsection 8 of section 160.405. After satisfaction of all its financial obligations, a 199 200 charter school shall return any remaining state and federal 201 funds to the department of elementary and secondary 202 education for disposition as stated in subdivision (17) of subsection 1 of section 160.405. The department of 203 204 elementary and secondary education may withhold funding at a 205 level the department determines to be adequate during a 206 school's last year of operation until the department 207 determines that school records, liabilities, and reporting 208 requirements, including a full audit, are satisfied.

209 [13.] <u>14.</u> Charter schools shall not have the power to
210 acquire property by eminent domain.

[14.] <u>15.</u> The governing [body] <u>board</u> of a charter school is authorized to accept grants, gifts or donations of any kind and to expend or use such grants, gifts or donations. A grant, gift or donation [may] <u>shall</u> not be accepted by the governing [body] <u>board</u> if it is subject to any condition contrary to law applicable to the charter

| 217 | school or other public schools, or contrary to the terms of |
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| 218 | the charter. |
| 219 | 16. (1) As used in this section, the following terms |
| 220 | mean: |
| 221 | (a) "Department", the department of elementary and |
| 222 | secondary education; |
| 223 | (b) "Local aid", all local and county revenue received |
| 224 | by the school district and charter schools within the school |
| 225 | district. The term "local aid": |
| 226 | a. Includes, but is not limited to, the following: |
| 227 | (i) Property taxes and delinquent taxes; |
| 228 | (ii) Merchants' and manufacturers' tax revenues, |
| 229 | except that an urban school district containing most or all |
| 230 | of a city with more than four hundred thousand inhabitants |
| 231 | and located in more than one county may annually withhold |
| 232 | merchants' and manufacturers' tax revenues required for |
| 233 | repayment of Series 2009, Series 2010, Series 2015, and |
| 234 | Series 2016 bonds. Such school district shall not withhold |
| 235 | merchants' and manufacturers' tax revenues after the fiscal |
| 236 | year ending June 30, 2036; |
| 237 | (iii) Financial institutions' tax revenues; |
| 238 | (iv) City sales tax revenue, including city sales tax |
| 239 | collected in any city not within a county, but excludes city |
| 240 | sales tax revenue collected but withheld by any metropolitan |
| 241 | school district pursuant to a court mandated desegregation |
| 242 | settlement agreement if a federal court issues a final |
| 243 | decision finding the city sales tax may only be used by the |
| 244 | metropolitan school district; |
| 245 | (v) Payments in lieu of taxes; |
| 246 | (vi) Revenues from state-assessed railroad and |
| 247 | utilities tax; or |
| 248 | (vii) Any future aid; and |
| 249 | b. Shall not be construed to include: |

| 250 | (i) Charitable contributions, gifts, and grants made |
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| 251 | to school districts and charter schools; |
| 252 | (ii) Interest earnings of school districts and charter |
| 253 | schools; |
| 254 | (iii) Student fees paid to school districts and |
| 255 | charter schools; |
| 256 | (iv) Debt service authorized by a public vote for the |
| 257 | purpose of making payments on a bond issuance of a school |
| 258 | district; |
| 259 | (v) Proposition C revenues received for school |
| 260 | purposes from the school district trust fund under section |
| 261 | <u>163.087;</u> |
| 262 | (vi) Any funding solely intended for any special |
| 263 | school district providing services to students in any county |
| 264 | with more than one million inhabitants; or |
| 265 | (vii) Any other funding solely intended for a |
| 266 | particular school district or charter school and its |
| 267 | respective employees, schools, foundations, or organizations. |
| 268 | (2) Notwithstanding any other provision of law to the |
| 269 | contrary, the calculation in this subsection shall be used |
| 270 | to calculate state and local aid for charter schools |
| 271 | operated only: |
| 272 | (a) In a metropolitan school district; |
| 273 | (b) In an urban school district containing most or all |
| 274 | of a city with a population greater than three hundred fifty |
| 275 | thousand inhabitants; |
| 276 | (c) In a school district that has been classified as |
| 277 | unaccredited by the state board of education; |
| 278 | (d) In a school district that has been classified as |
| 279 | provisionally accredited by the state board of education and |
| 280 | has received scores on its annual performance report |
| 281 | consistent with a classification of provisionally accredited |
| 282 | or unaccredited for three consecutive school years beginning |

| 283 | with the 2012-2013 accreditation year under the conditions |
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| 284 | described in paragraphs (a) and (b) of subdivision (4) of |
| 285 | subsection 2 of section 160.400; or |
| 286 | (e) In a school district that has been accredited |
| 287 | without provisions, sponsored only by the local school board |
| 288 | under the conditions described in subdivision (5) of |
| 289 | subsection 2 of section 160.400. |
| 290 | (3) Each charter school and each school district |
| 291 | responsible for distributing local aid to charter schools |
| 292 | under this subsection shall include as part of its annual |
| 293 | independent audit an audit of pupil residency, enrollment, |
| 294 | and attendance in order to verify pupil residency in the |
| 295 | school district or local educational agency. |
| 296 | (4) A school district having one or more resident |
| 297 | pupils attending a charter school shall pay to the charter |
| 298 | school an annual amount equal to the product of the charter |
| 299 | school's weighted average daily attendance and the state |
| 300 | adequacy target, multiplied by the dollar value modifier for |
| 301 | the district, less the charter school's share of local |
| 302 | effort as defined in section 163.011 plus all other state |
| 303 | aid attributable to such pupils plus local aid received by |
| 304 | the school district divided by the total weighted average |
| 305 | daily attendance of the school district and all charter |
| 306 | schools within the school district per weighted average |
| 307 | daily attendance of the charter school. |
| 308 | (5) A charter school that has declared itself a local |
| 309 | educational agency shall receive all state aid calculated |
| 310 | under this subsection from the department and all local aid |
| 311 | calculated under this subsection from the school district |
| 312 | within which the charter school is operating. A charter |
| 313 | school shall receive an annual amount equal to the product |
| 314 | of the charter school's weighted average daily attendance |
| 315 | and the state adequacy target, multiplied by the dollar |
| | |

316 value modifier for the district, less the charter school's share of local effort as defined in section 163.011 plus all 317 318 other state aid attributable to such pupils plus local aid received by the school district divided by the total 319 320 weighted average daily attendance of the school district and all charter schools within the school district per weighted 321 average daily attendance of the charter school. 322 323 (6) (a) The school district with charter schools operating within the district shall withhold, from the 324 325 January local effort payment received by the school 326 district, an annual administrative fee for the purpose of 327 supporting administrative costs the school district incurs 328 for charter schools operating within the school district. In all school districts except a metropolitan school 329 district, the administrative fee shall be equal to one-330 331 fourth of one percent of the sum of the prior year's state 332 aid received by the school district, the prior year's state 333 aid received by the charter school within the school 334 district, and the prior year's local aid received by the 335 school district and the charter schools within the school district. The administrative fee in a metropolitan school 336 district shall be equal to two percent of the sum of the 337 338 prior year's state aid received by the school district, the 339 prior year's state aid received by the charter school within the school district, and the prior year's local aid received 340 341 by the school district and the charter schools within the school district. As used in this paragraph, "state aid" 342 means the product of the school district or charter school's 343 344 weighted average daily attendance and the state adequacy target, multiplied by the dollar value modifier for the 345 district, less the school district or charter school's share 346 of local effort as defined in section 163.011. 347

| 348 | (b) On or before December thirty-first of each year, |
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| 349 | any school district that has charter schools operating |
| 350 | within the district shall transmit to the department the |
| 351 | total annual local aid calculation described in subdivision |
| 352 | (7) of this subsection. If the school district fails to |
| 353 | transmit the annual local aid calculation to the department, |
| 354 | the school district shall not withhold the administrative |
| 355 | fee. |
| 356 | (c) The department shall calculate the administrative |
| 357 | fee under the formula in this subdivision using data from |
| 358 | the previous school year. On or before January fifteenth of |
| 359 | the following year, the department shall transmit to any |
| 360 | school district that has charter schools operating within |
| 361 | the district the calculation of the administrative fee and |
| 362 | make such calculation publicly available on the department's |
| 363 | website. |
| 364 | (7) Each month any school district that has charter |
| 365 | schools operating within the district shall calculate the |
| 366 | amount of local aid received by the school district that is |
| 367 | owed to the charter schools by the school district under |
| 368 | this subsection. The school district shall pay to the |
| 369 | charter school the amount of local aid owed to the charter |
| 370 | school, as calculated by the school district using the |
| 371 | previous month's weighted average daily attendance of the |
| 372 | charter school. If any payment of local aid is due, the |
| 373 | school district shall make monthly payments on the twenty- |
| 374 | first day of each month or upon the closest business day, |
| 375 | beginning in July of each year. |
| 376 | (a) If the school district fails to make timely |
| 377 | payment, the department shall impose any penalty the |
| 378 | department deems appropriate. |
| 379 | (b) The school district shall, as part of its annual |
| 380 | audit as required under section 165.111, include a report |

381 converting the local aid received by the district from an 382 accrual basis to a cash basis. Such report shall be made 383 publicly available on the district website in a searchable 384 format or as a downloadable and searchable document. 385 (8) The department shall conduct an annual review of any payments made in the previous fiscal year under 386 subdivision (7) of this subsection to determine if there has 387 388 been any underpayment or overpayment. The annual review, to 389 be conducted in January of each year, shall include a calculation of the amount of local aid owed to charter 390 schools using the first preceding year's annual audit 391 required under section 165.111. A school district shall pay 392 393 to a charter school operating in the district the amount of 394 local aid owed to the charter school as calculated by the department. In the event of an underpayment, the school 395 396 district shall remit the underpayment amount to the charter 397 school. In the event of an overpayment, the charter school 398 shall remit the overpayment amount to the school district. 399 (a) If the school district fails to remit any 400 underpayment amount to the charter school within thirty days of notification of the underpayment amount, the department 401 402 shall impose any penalty the department deems appropriate. If the charter school fails to remit any 403 (b) 404 overpayment amount owed to the school district within thirty 405 days of notification of the overpayment amount, the 406 department shall impose any penalty the department deems 407 appropriate. (9) If a prior year correction of the amount of local 408 aid is necessary, the school district shall recalculate the 409 amount owed to a charter school and either remit any 410 underpayment amount to the charter school or provide a bill 411 to the charter school for any overpayment amount. Any 412 413 underpayment or overpayment amount shall be remitted under

| 414 | the schedules in paragraphs (a) and (b) of subdivision (8) |
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| 415 | of this subsection. |
| 416 | (10) (a) For the purposes of this subdivision, net |
| 417 | cost for providing special educational services for the |
| 418 | school district with charter schools operating within the |
| 419 | school district and each charter school within the school |
| 420 | district shall be calculated as the total special |
| 421 | educational services costs minus the total special |
| 422 | educational services funding. |
| 423 | (b) For the purposes of this subdivision, total |
| 424 | special educational services costs shall be calculated as |
| 425 | the sum of the total cost of the following as reported on |
| 426 | the annual secretary of the board report for the school |
| 427 | district with charter schools operating within the district |
| 428 | and each charter school within the school district: |
| 429 | a. Department-defined special education instruction; |
| 430 | b. Tuition for special education programs; |
| 431 | c. Health services; |
| 432 | d. Psychology services; |
| 433 | e. Speech and language services; |
| 434 | f. Audiology services; |
| 435 | g. Occupational therapy; |
| 436 | h. Physical therapy; |
| 437 | i. Visually impaired services; |
| 438 | j. Special education transportation services; and |
| 439 | k. Tuition to other districts within the state that |
| 440 | fulfill requirements of the voluntary interdistrict |
| 441 | coordinating council program. |
| 442 | (c) For the purposes of this subdivision, total |
| 443 | special educational services funding shall be calculated as |
| 444 | the sum of the state aid and local effort per weighted |
| 445 | average daily attendance for the school district and the sum |
| 446 | of the state aid and local aid per weighted average daily |

| 447 | attendance for the charter schools within the school |
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| 448 | district multiplied by the total number of students with an |
| 449 | individualized educational plan as reported in December of |
| 450 | each year to the department, plus any funds received under |
| 451 | section 162.974, plus any funds received under the federal |
| 452 | Individuals with Disabilities Education Act (IDEA) (20 |
| 453 | U.S.C. Section 1400 et seq.), as amended, plus any |
| 454 | additional weighted state aid funds received as a result of |
| 455 | serving a percentage of special education students that |
| 456 | exceeds the special educational threshold as defined in |
| 457 | section 163.011. |
| 458 | (d) Each school district that has charter schools |
| 459 | operating within the school district and each charter school |
| 460 | shall, as part of the annual audit provided to the |
| 461 | department, report the number of students with an |
| 462 | individualized educational plan, the costs incurred for |
| 463 | providing special educational services as described in |
| 464 | paragraph (b) of this subdivision, the amount of funds drawn |
| 465 | down under section 162.974, and the amount of funds drawn |
| 466 | down under the federal Individuals with Disabilities |
| 467 | Education Act (IDEA) (20 U.S.C. Section 1400 et seq.), as |
| 468 | amended. |
| 469 | (e) On or before February fourteenth of each year, the |
| 470 | department shall calculate for each school district that has |
| 471 | charter schools operating within the school district and |
| 472 | each charter school the net cost for providing special |
| 473 | educational services. The department shall transmit such |
| 474 | calculations to the school district or charter school and |
| 475 | make such calculations publicly available on the |
| 476 | department's website. |
| 477 | (f) The February local aid payment to charter schools |
| 478 | within the school district shall be paid from the total |
| 479 | local aid funds received in January by the school district. |

480 The February local aid payment per weighted average daily 481 attendance to charter schools within the school district 482 shall be calculated as follows: a. The school district shall withhold the 483 administrative fee described in paragraph (a) of subdivision 484 485 (6) of this subsection from the total local aid funds received in January by the school district; 486 487 b. After withholding the administrative fee, the school district shall withhold from the remaining local aid 488 489 funds an amount equal to the school district's prior year positive net cost for providing special educational services 490 491 only if the school district is determined to have a positive 492 net cost by the department under paragraph (e) of this 493 subdivision; c. After withholding the administrative fee, the 494 495 school district shall withhold from the remaining local aid 496 funds an amount equal to the sum of the prior year positive 497 net cost for providing special educational services for 498 charter schools within the school district determined to have a positive net cost by the department under paragraph 499 (e) of this subdivision. Before March first of each year, 500 501 the school district shall distribute such funds to each charter school determined to have a positive net cost an 502 503 amount equal to each charter school's positive net cost as 504 calculated under paragraph (e) of this subdivision; d. After withholding the administrative fee and 505 506 special education funds under subparagraphs a., b., and c. of this paragraph, the school district shall divide the 507 remaining local aid funds by the sum of the current year 508 509 estimated weighted average daily attendance for January of the school district plus the sum of the current year 510 estimated weighted average daily attendance for January of 511 512 all charter schools within the school district; and

513 e. To determine the amount of the February local aid payment to each charter school within the school district, 514 515 the school district shall multiply the value calculated under subparagraph d. of this paragraph by the current year 516 517 estimated weighted average daily attendance for January for each charter school within the school district. The school 518 district shall distribute the February local aid payment to 519 520 each charter school within the school district before March 521 first. (g) The department shall adjust the net cost for 522 providing special educational services for each charter 523 524 school and each school district that has charter schools 525 operating within the school district based on the report required in paragraph (d) of this subdivision for reasons 526 527 including, but not limited to, underreporting or 528 overreporting the number of students with an individualized 529 educational plan or the cost to provide services to students 530 with an individualized educational plan, failure to draw 531 down or accrue for within the applicable fiscal year all funds to which the charter school or school district is 532 entitled under the federal Individuals with Disabilities 533 Education Act (IDEA) (20 U.S.C. Section 1400 et seq.), as 534 amended, and costs determined by the department to be 535 536 excessive relative to the special educational services 537 provided. 538 (h) Any funds received by the school district or 539 charter school under this subdivision shall not be considered when calculating a withhold or payment under 540 paragraph (f) of this subdivision in the following year. 541 542 (i) This subdivision shall apply beginning February 1, 2025. 543 (11) This subsection shall apply in all school 544 545 districts listed in subdivision (2) of this section, except

| 546 | metropolitan school districts, for all school years |
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| 547 | beginning on or after July 1, 2023. This subsection shall |
| 548 | apply in all metropolitan school districts for all school |
| 549 | years beginning on or after July 1, 2028. |
| 550 | 17. The department may promulgate rules for the annual |
| 551 | review of payments and any penalties to be assessed under |
| 552 | subsection 15 of this section. Any rule or portion of a |
| 553 | rule, as that term is defined in section 536.010, that is |
| 554 | created under the authority delegated in this section shall |
| 555 | become effective only if it complies with and is subject to |
| 556 | all of the provisions of chapter 536 and, if applicable, |
| 557 | section 536.028. This section and chapter 536 are |
| 558 | nonseverable, and if any of the powers vested with the |
| 559 | general assembly pursuant to chapter 536 to review, to delay |
| 560 | the effective date, or to disapprove and annul a rule are |
| 561 | subsequently held unconstitutional, then the grant of |
| 562 | rulemaking authority and any rule proposed or adopted after |
| 563 | August 28, 2022, shall be invalid and void. |
| 564 | 18. Notwithstanding the provisions of section 1.140 to |
| 565 | the contrary, the provisions of this act shall be |
| 566 | nonseverable, and if any provision is for any reason held to |
| 567 | be invalid, such decision shall invalidate all of the |
| 568 | remaining provisions of this act. |