

SENATE BILL NO. 1080

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR ARTHUR.

3859S.011

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 163.011, RSMo, and to enact in lieu thereof one new section relating to defined terms in the public school funding formula.

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Section A. Section 163.011, RSMo, is repealed and one new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

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

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

7 (2) "Average daily attendance", the quotient or the
8 sum of the quotients obtained by dividing the total number
9 of hours attended in a term by resident pupils between the
10 ages of five and twenty-one by the actual number of hours
11 school was in session in that term. To the average daily
12 attendance of the following school term shall be added the
13 full-time equivalent average daily attendance of summer
14 school students. "Full-time equivalent average daily
15 attendance of summer school students" shall be computed by
16 dividing the total number of hours, except for physical
17 education hours that do not count as credit toward
18 graduation for students in grades nine, ten, eleven, and

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

19 twelve, attended by all summer school pupils by the number
20 of hours required in section 160.011 in the school term.
21 For purposes of determining average daily attendance under
22 this subdivision, the term "resident pupil" shall include
23 all children between the ages of five and twenty-one who are
24 residents of the school district and who are attending
25 kindergarten through grade twelve in such district. If a
26 child is attending school in a district other than the
27 district of residence and the child's parent is teaching in
28 the school district or is a regular employee of the school
29 district which the child is attending, then such child shall
30 be considered a resident pupil of the school district which
31 the child is attending for such period of time when the
32 district of residence is not otherwise liable for tuition.
33 Average daily attendance for students below the age of five
34 years for which a school district may receive state aid
35 based on such attendance shall be computed as regular school
36 term attendance unless otherwise provided by law;

37 **(3) "Census Bureau performance district poverty**
38 **percentage", one hundred times the number of school-age**
39 **children estimated to live in poverty in every performance**
40 **district that falls entirely above the bottom five percent**
41 **and entirely below the top five percent of average daily**
42 **attendance, when such districts are rank-ordered based on**
43 **their current operating expenditures per average daily**
44 **attendance, divided by the total number of school-age**
45 **children estimated to live in all such included performance**
46 **districts, as determined by the most recent data from the**
47 **U.S. Census Bureau's Small Area Income and Poverty Estimates**
48 **program;**

49 **(4) "Census Bureau poverty pupil count", the**
50 **difference between the Census Bureau school district poverty**

51 percentage and the Census Bureau performance district
52 poverty percentage, or zero, whichever is greater,
53 multiplied by the district's average daily attendance figure;

54 (5) "Census Bureau school district poverty
55 percentage", one hundred times the number of school-age
56 children estimated to live in poverty in the school
57 district, divided by total number of school-age children
58 estimated to live in the school district, as determined by
59 the most recent data from the U.S. Census Bureau's Small
60 Area Income and Poverty Estimates Program;

61 [(3)] (6) "Current operating expenditures":

62 (a) For the fiscal year 2007 calculation, "current
63 operating expenditures" shall be calculated using data from
64 fiscal year 2004 and shall be calculated as all expenditures
65 for instruction and support services except capital outlay
66 and debt service expenditures minus the revenue from federal
67 categorical sources; food service; student activities;
68 categorical payments for transportation costs pursuant to
69 section 163.161; state reimbursements for early childhood
70 special education; the career ladder entitlement for the
71 district, as provided for in sections 168.500 to 168.515;
72 the vocational education entitlement for the district, as
73 provided for in section 167.332; and payments from other
74 districts;

75 (b) In every fiscal year subsequent to fiscal year
76 2007, current operating expenditures shall be the amount in
77 paragraph (a) of this subdivision plus any increases in
78 state funding pursuant to sections 163.031 and 163.043
79 subsequent to fiscal year 2005, not to exceed [five] ten
80 percent, per recalculation, of the state revenue received by
81 a district in the 2004-05 school year from the foundation
82 formula, line 14, gifted, remedial reading, exceptional

83 pupil aid, fair share, and free textbook payments for any
84 district from the first preceding calculation of the state
85 adequacy target;

86 [(4)] (7) "District's tax rate ceiling", the highest
87 tax rate ceiling in effect subsequent to the 1980 tax year
88 or any subsequent year. Such tax rate ceiling shall not
89 contain any tax levy for debt service;

90 [(5)] (8) "Dollar-value modifier", an index of the
91 relative purchasing power of a dollar, calculated as one
92 plus fifteen percent of the difference of the regional wage
93 ratio minus one, provided that the dollar value modifier
94 shall not be applied at a rate less than 1.0:

95 (a) "County wage per job", the total county wage and
96 salary disbursements divided by the total county wage and
97 salary employment for each county and the City of St. Louis
98 as reported by the Bureau of Economic Analysis of the United
99 States Department of Commerce for the fourth year preceding
100 the payment year;

101 (b) "Regional wage per job":

102 a. The total Missouri wage and salary disbursements of
103 the metropolitan area as defined by the Office of Management
104 and Budget divided by the total Missouri metropolitan wage
105 and salary employment for the metropolitan area for the
106 county signified in the school district number or the City
107 of St. Louis, as reported by the Bureau of Economic Analysis
108 of the United States Department of Commerce for the fourth
109 year preceding the payment year and recalculated upon every
110 decennial census to incorporate counties that are newly
111 added to the description of metropolitan areas; or if no
112 such metropolitan area is established, then:

113 b. The total Missouri wage and salary disbursements of
114 the micropolitan area as defined by the Office of Management

115 and Budget divided by the total Missouri micropolitan wage
116 and salary employment for the micropolitan area for the
117 county signified in the school district number, as reported
118 by the Bureau of Economic Analysis of the United States
119 Department of Commerce for the fourth year preceding the
120 payment year, if a micropolitan area for such county has
121 been established and recalculated upon every decennial
122 census to incorporate counties that are newly added to the
123 description of micropolitan areas; or

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

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

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

133 [(6)] (9) "Free and reduced price lunch pupil count",
134 for school districts not eligible for and those that do not
135 choose the USDA Community Eligibility Option, the number of
136 pupils eligible for free and reduced price lunch on the last
137 Wednesday in January for the preceding school year who were
138 enrolled as students of the district, as approved by the
139 department in accordance with applicable federal
140 regulations. For eligible school districts that choose the
141 USDA Community Eligibility Option, the free and reduced
142 price lunch pupil count shall be the percentage of free and
143 reduced price lunch students calculated as eligible on the
144 last Wednesday in January of the most recent school year
145 that included household applications to determine free and

146 reduced price lunch count multiplied by the district's
147 average daily attendance figure;

148 [(7)] (10) "Free and reduced price lunch threshold"
149 shall be calculated by dividing the total free and reduced
150 price lunch pupil count of every performance district that
151 falls entirely above the bottom five percent and entirely
152 below the top five percent of average daily attendance, when
153 such districts are rank-ordered based on their current
154 operating expenditures per average daily attendance, by the
155 total average daily attendance of all included performance
156 districts;

157 [(8)] (11) "Limited English proficiency pupil count",
158 the number in the preceding school year of pupils aged three
159 through twenty-one enrolled or preparing to enroll in an
160 elementary school or secondary school who were not born in
161 the United States or whose native language is a language
162 other than English or are Native American or Alaskan native,
163 or a native resident of the outlying areas, and come from an
164 environment where a language other than English has had a
165 significant impact on such individuals' level of English
166 language proficiency, or are migratory, whose native
167 language is a language other than English, and who come from
168 an environment where a language other than English is
169 dominant; and have difficulties in speaking, reading,
170 writing, or understanding the English language sufficient to
171 deny such individuals the ability to meet the state's
172 proficient level of achievement on state assessments
173 described in Public Law 107-10, the ability to achieve
174 successfully in classrooms where the language of instruction
175 is English, or the opportunity to participate fully in
176 society;

177 [(9)] (12) "Limited English proficiency threshold"
178 shall be calculated by dividing the total limited English
179 proficiency pupil count of every performance district that
180 falls entirely above the bottom five percent and entirely
181 below the top five percent of average daily attendance, when
182 such districts are rank-ordered based on their current
183 operating expenditures per average daily attendance, by the
184 total average daily attendance of all included performance
185 districts;

186 [(10)] (13) "Local effort":

187 (a) For the fiscal year 2007 calculation, "local
188 effort" shall be computed as the equalized assessed
189 valuation of the property of a school district in calendar
190 year 2004 divided by one hundred and multiplied by the
191 performance levy less the percentage retained by the county
192 assessor and collector plus one hundred percent of the
193 amount received in fiscal year 2005 for school purposes from
194 intangible taxes, fines, escheats, payments in lieu of taxes
195 and receipts from state-assessed railroad and utility tax,
196 one hundred percent of the amount received for school
197 purposes pursuant to the merchants' and manufacturers' taxes
198 under sections 150.010 to 150.370, one hundred percent of
199 the amounts received for school purposes from federal
200 properties under sections 12.070 and 12.080 except when such
201 amounts are used in the calculation of federal impact aid
202 pursuant to P.L. 81-874, fifty percent of Proposition C
203 revenues received for school purposes from the school
204 district trust fund under section 163.087, and one hundred
205 percent of any local earnings or income taxes received by
206 the district for school purposes. Under this paragraph, for
207 a special district established under sections 162.815 to
208 162.940 in a county with a charter form of government and

209 with more than one million inhabitants, a tax levy of zero
210 shall be utilized in lieu of the performance levy for the
211 special school district;

212 (b) In every year subsequent to fiscal year 2007,
213 "local effort" shall be the amount calculated under
214 paragraph (a) of this subdivision plus any increase in the
215 amount received for school purposes from fines. If a
216 district's assessed valuation has decreased subsequent to
217 the calculation outlined in paragraph (a) of this
218 subdivision, the district's local effort shall be calculated
219 using the district's current assessed valuation in lieu of
220 the assessed valuation utilized in the calculation outlined
221 in paragraph (a) of this subdivision. When a change in a
222 school district's boundary lines occurs because of a
223 boundary line change, annexation, attachment, consolidation,
224 reorganization, or dissolution under section 162.071,
225 162.081, sections 162.171 to 162.201, section 162.221,
226 162.223, 162.431, 162.441, or 162.451, or in the event that
227 a school district assumes any territory from a district that
228 ceases to exist for any reason, the department of elementary
229 and secondary education shall make a proper adjustment to
230 each affected district's local effort, so that each
231 district's local effort figure conforms to the new boundary
232 lines of the district. The department shall compute the
233 local effort figure by applying the calendar year 2004
234 assessed valuation data to the new land areas resulting from
235 the boundary line change, annexation, attachment,
236 consolidation, reorganization, or dissolution and otherwise
237 follow the procedures described in this subdivision;

238 [(11)] (14) "Membership" shall be the average of:

239 (a) The number of resident full-time students and the
240 full-time equivalent number of part-time students who were

241 enrolled in the public schools of the district on the last
242 Wednesday in September of the previous year and who were in
243 attendance one day or more during the preceding ten school
244 days; and

245 (b) The number of resident full-time students and the
246 full-time equivalent number of part-time students who were
247 enrolled in the public schools of the district on the last
248 Wednesday in January of the previous year and who were in
249 attendance one day or more during the preceding ten school
250 days, plus the full-time equivalent number of summer school
251 pupils. "Full-time equivalent number of part-time students"
252 is determined by dividing the total number of hours for
253 which all part-time students are enrolled by the number of
254 hours in the school term. "Full-time equivalent number of
255 summer school pupils" is determined by dividing the total
256 number of hours for which all summer school pupils were
257 enrolled by the number of hours required pursuant to section
258 160.011 in the school term. Only students eligible to be
259 counted for average daily attendance shall be counted for
260 membership;

261 [(12)] (15) "Operating levy for school purposes", the
262 sum of tax rates levied for teachers' and incidental funds
263 plus the operating levy or sales tax equivalent pursuant to
264 section 162.1100 of any transitional school district
265 containing the school district, in the payment year, not
266 including any equalized operating levy for school purposes
267 levied by a special school district in which the district is
268 located;

269 [(13)] (16) "Performance district", any district that
270 has met performance standards and indicators as established
271 by the department of elementary and secondary education for
272 purposes of accreditation under section 161.092 and as

273 reported on the final annual performance report for that
274 district each year; for calculations to be utilized for
275 payments in fiscal years subsequent to fiscal year 2018, the
276 number of performance districts shall not exceed twenty-five
277 percent of all public school districts;

278 [(14)] (17) "Performance levy", three dollars and
279 forty-three cents;

280 [(15)] (18) "School purposes" pertains to teachers'
281 and incidental funds;

282 [(16)] (19) "Special education pupil count", the
283 number of public school students with a current
284 individualized education program or services plan and
285 receiving services from the resident district as of December
286 first of the preceding school year, except for special
287 education services provided through a school district
288 established under sections 162.815 to 162.940 in a county
289 with a charter form of government and with more than one
290 million inhabitants, in which case the sum of the students
291 in each district within the county exceeding the special
292 education threshold of each respective district within the
293 county shall be counted within the special district and not
294 in the district of residence for purposes of distributing
295 the state aid derived from the special education pupil count;

296 [(17)] (20) "Special education threshold" shall be
297 calculated by dividing the total special education pupil
298 count of every performance district that falls entirely
299 above the bottom five percent and entirely below the top
300 five percent of average daily attendance, when such
301 districts are rank-ordered based on their current operating
302 expenditures per average daily attendance, by the total
303 average daily attendance of all included performance
304 districts;

305 [(18)] (21) "State adequacy target", the sum of the
306 current operating expenditures of every performance district
307 that falls entirely above the bottom five percent and
308 entirely below the top five percent of average daily
309 attendance, when such districts are rank-ordered based on
310 their current operating expenditures per average daily
311 attendance, divided by the total average daily attendance of
312 all included performance districts. The department of
313 elementary and secondary education shall first calculate the
314 state adequacy target for fiscal year 2007 and recalculate
315 the state adequacy target every two years using the most
316 current available data. **For all recalculations provided in
317 this subdivision, any increases in average daily attendance
318 over ten percent, per recalculation, shall not be included
319 in the calculation.** The recalculation shall never result in
320 a decrease from the state adequacy target as calculated for
321 fiscal years 2017 and 2018 and any state adequacy target
322 figure calculated subsequent to fiscal year 2018. Should a
323 recalculation result in an increase in the state adequacy
324 target amount, fifty percent of that increase shall be
325 included in the state adequacy target amount in the year of
326 recalculation, and fifty percent of that increase shall be
327 included in the state adequacy target amount in the
328 subsequent year. The state adequacy target may be adjusted
329 to accommodate available appropriations as provided in
330 subsection 7 of section 163.031;

331 [(19)] (22) "Teacher", any teacher, teacher-secretary,
332 substitute teacher, supervisor, principal, supervising
333 principal, superintendent or assistant superintendent,
334 school nurse, social worker, counselor or librarian who
335 shall, regularly, teach or be employed for no higher than
336 grade twelve more than one-half time in the public schools

337 and who is certified under the laws governing the
338 certification of teachers in Missouri;

339 [(20)] (23) "Weighted average daily attendance", the
340 average daily attendance plus the product of twenty-five
341 hundredths multiplied by **the higher of** the free and reduced
342 price lunch pupil count that exceeds the free and reduced
343 price lunch threshold[,] **or the Census Bureau poverty pupil**
344 **count;** plus the product of seventy-five hundredths
345 multiplied by the number of special education pupil count
346 that exceeds the special education threshold, plus the
347 product of six-tenths multiplied by the number of limited
348 English proficiency pupil count that exceeds the limited
349 English proficiency threshold. For special districts
350 established under sections 162.815 to 162.940 in a county
351 with a charter form of government and with more than one
352 million inhabitants, weighted average daily attendance shall
353 be **the higher of** the average daily attendance plus the
354 product of twenty-five hundredths multiplied by the free and
355 reduced price lunch pupil count that exceeds the free and
356 reduced price lunch threshold[,] **or the Census Bureau**
357 **poverty pupil count;** plus the product of seventy-five
358 hundredths multiplied by the sum of the special education
359 pupil count that exceeds the threshold for each county
360 district, plus the product of six-tenths multiplied by the
361 limited English proficiency pupil count that exceeds the
362 limited English proficiency threshold. None of the
363 districts comprising a special district established under
364 sections 162.815 to 162.940 in a county with a charter form
365 of government and with more than one million inhabitants,
366 shall use any special education pupil count in calculating
367 their weighted average daily attendance.

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