

FIRST REGULAR SESSION
[P E R F E C T E D]
SENATE SUBSTITUTE FOR
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**SENATE BILLS NOS. 347, 40,
241 & 301**
90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUSE.

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TERRY L. SPIELER, Secretary.

S1587.05P

AN ACT

To repeal sections 160.415, 160.518, 162.203, 167.151, 170.011, RSMo 1994, sections 163.015, 163.172, 165.011 and 167.171, RSMo Supp. 1998, and section 163.011 as enacted by senate bill no. 781 of the eighty-ninth general assembly, second regular session, and section 163.011 as enacted by senate bill no. 535 of the eighty-ninth general assembly, second regular session, relating to education, and to enact in lieu thereof seventeen new sections relating to the same subject, with an emergency clause for a certain section.

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

Section A. Sections 160.415, 160.518, 162.203, 167.151, 170.011, RSMo 1994, sections 163.015, 163.172, 165.011 and 167.171, RSMo Supp. 1998, and section 163.011 as enacted by senate bill no. 781 of the eighty-ninth general assembly, second regular session, and section 163.011 as enacted by senate bill no. 535 of the eighty-ninth general assembly, second regular session, are repealed and seventeen new sections enacted in lieu thereof, to be known as sections 160.415, 160.518, 162.1120, 163.011, 163.172, 165.011, 167.151, 167.171, 167.243, 167.333, 168.295, 168.302, 170.011, 170.015, 170.059, 173.775 and 1, to read as follows:

160.415. 1. For the purposes of calculation and distribution of state school aid under section 163.031, RSMo, pupils enrolled in a charter school shall be included in the pupil

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

enrollment of the school district within which each pupil resides. Each charter school shall report the names, addresses, and eligibility for free or reduced-price lunch or other categorical aid, of pupils resident in a school district who are enrolled in the charter school to the school district in which those pupils reside and to the state department of elementary and secondary education. Each charter school shall promptly notify the state department of elementary and secondary education and the pupil's school district when a student discontinues enrollment at a charter school.

2. (1) A school district having one or more resident pupils attending a charter school shall pay to the charter school an annual amount equal to the product of the equalized, adjusted operating levy for school purposes for the pupils' district of residence for the current year times the guaranteed tax base per eligible pupil, as defined in section 163.011, RSMo, times the number of the district's resident pupils attending the charter school plus all other state aid attributable to such pupils, including summer school, if applicable, and all aid provided pursuant to section 163.031, RSMo; **provided that the per pupil amount paid by a school district to a charter school pursuant to this subsection shall be reduced by the per pupil amount, determined by the state board of education, needed by the district in the current year for repayment of lease hold revenue bonds obligated pursuant to a federal court school desegregation order.**

(2) The district of residence of a pupil attending a charter school shall also pay to the charter school any other federal or state aid that the district receives on account of such child.

(3) The amounts provided pursuant to this subsection shall be prorated for partial year enrollment for a pupil.

(4) A school district shall pay the amounts due pursuant to this subsection as **the** disbursal agent and no later than twenty days following receipt of any such funds.

3. If a school district fails to make timely payments of any amount for which it is the disbursal agent, the state department of elementary and secondary education shall authorize payment to the charter school of the amount due pursuant to subsection 2 of this section and shall deduct the same amount from the next state school aid apportionment to the owing school district. If a charter school is paid more or less than the amounts due pursuant to subsection 2 of this section, the amount of overpayment or underpayment shall be adjusted in its next payment by the school district or the department of elementary and secondary education, as appropriate. Any dispute between the school district and a charter school as to the amount owing to the charter school shall be resolved by the department of elementary and secondary education, and the department's decision shall be the final administrative action for the purposes of review pursuant to chapter 536, RSMo.

4. The charter school and a local school board may agree by contract for services to be provided by the school district to the charter school. The charter school may contract with any

other entity for services. Such services may include but are not limited to food service, custodial service, maintenance, management assistance, curriculum assistance, media services and libraries and shall be subject to negotiation between the charter school and the local school board or other entity. Documented actual costs of such services shall be paid for by the charter school.

5. A charter school may enter into contracts with community partnerships and state agencies acting in collaboration with such partnerships that provide services to children and their families linked to the school.

6. A charter school shall be eligible for transportation state aid pursuant to section 163.161, RSMo, 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.

7. (1) The proportionate share of state and federal resources generated by students with disabilities or staff serving them shall be paid in full to charter schools enrolling those students by their school district where such enrollment is through a contract for services described in this section. The proportionate share of money generated under other federal or state categorical aid programs shall be directed to charter schools serving such students eligible for that aid.

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

8. A charter school may not charge tuition, nor may it impose fees that a school district is prohibited from imposing.

9. A charter school is authorized to incur debt in anticipation of receipt of funds. A charter school may also borrow to finance facilities and other capital items. A school district may incur bonded indebtedness or take other measures to provide for physical facilities and other capital items for charter schools that it sponsors or contracts with. Upon the dissolution of a charter school, any liabilities of the corporation will be satisfied through the procedures of chapter 355, RSMo.

10. Charter schools shall not have the power to acquire property by eminent domain.

11. The governing body 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 not be accepted by the governing body if it is subject to any condition contrary to law applicable to the charter school or other public schools, or contrary to the terms of the charter.

160.518. 1. Consistent with the provisions contained in section 160.526, the state board of education shall develop a statewide assessment system that provides [that] maximum flexibility for local school districts to determine the degree to which students in the public schools of the state are proficient in the knowledge, skills and competencies adopted by such board pursuant to subsection 1 of section 160.514. The statewide assessment system shall assess problem solving, analytical ability, evaluation, creativity and application ability in the different content areas and

shall be performance-based to identify what students know, as well as what they are able to do, and shall enable teachers to evaluate actual academic performance. The assessment system shall neither promote nor prohibit rote memorization and shall not include existing versions of tests approved for use pursuant to the provisions of section 160.257, nor enhanced versions of such tests. The statewide assessment shall measure, where appropriate by grade level, a student's knowledge of academic subjects including, but not limited to, reading skills, writing skills, mathematics skills, world and American history, forms of government, geography and science.

2. The assessment system shall only permit the academic performance of students in each school in the state to be tracked against prior academic performance in the same school.

3. [The state board of education shall suggest criteria for a school to demonstrate that its students learn the knowledge, skills and competencies at exemplary levels worthy of imitation by students in other schools in the state and nation. "Exemplary levels" shall be measured by the assessment system developed pursuant to subsection 1 of this section, or until said assessment is available, by indicators approved for such use by the state board of education. The provisions of other law to the contrary notwithstanding, the commissioner of education may, upon request of the school district, present a plan for the waiver of rules and regulations to any such school, to be known as "Outstanding Schools Waivers", consistent with the provisions of subsection 4 of this section.] **The provisions of other law to the contrary notwithstanding, the commissioner of education shall, upon the request of any school district, present a waiver of rules and regulations, to be known as the "Outstanding Schools Waiver", consistent with the provisions of subsection 4 of this section, to any school which certifies the following:**

(1) For the previous school year, fifty percent of the school's students scored at the advanced or proficient level or the percentage of students scoring at the advanced or proficient level has increased by at least three percent since the last annual reporting period or has increased by a total of at least nine percent over the last three annual reporting periods; and

(2) One-half of the full-time faculty members in the school have master's degrees, and fifty percent of those faculty members who have taken the examination required by the state board of education pursuant to section 168.021, RSMo, for an initial professional certificate shall have scored above the seventieth percentile;

(3) The school has written curriculum guides for all courses of instruction offered by the school, and the curriculum guides are available for public inspection and have been updated within the last five years;

(4) If an elementary school, the school has an ongoing, active, on-site program for at-risk students;

(5) If a high school, the school has an ongoing, active alternative school; and

(6) If a high school, the school has successfully completed North Central evaluation within the last five years.

4. For any school that meets the criteria established [by the state board of education for three successive school years pursuant to the provisions of subsection 3 of this section,] by August first [following the third such school year] **of any year**, the commissioner of education shall present a [plan to the superintendent of the school district in which such school is located for the] waiver of rules and regulations to promote flexibility in the operations of the school and to enhance and encourage efficiency in the delivery of instructional services. The provisions of other law to the contrary notwithstanding, the [plan] **waiver** presented to the superintendent shall provide a summary waiver, with no conditions, for the pupil testing requirements pursuant to section 160.257, in the school. Further, the provisions of other law to the contrary notwithstanding, the plan shall [detail a means] **provide** for the waiver of requirements otherwise imposed on the school related to the authority of the state board of education to classify school districts pursuant to subdivision (9) of section 161.092, RSMo, and such other rules and regulations as determined by the commissioner of education, excepting such waivers shall be confined to the school and not other schools in the district unless such other schools meet the criteria established [by the state board of education] consistent with subsection 3 of this section and the waivers shall not include the requirements contained in this section and section 160.514. Any waiver provided to any school as outlined in this subsection shall be void on June thirtieth of any school year in which the school fails to meet the criteria established by the state board of education consistent with subsection 3 of this section.

5. The department of elementary and secondary education shall furnish sufficient copies of all assessments to each school district without charge, using funds appropriated for that purpose.

[162.203. 1. Board members initially elected or appointed under section 162.291, 162.459, 162.471, or 162.581 after August 28, 1993, in addition to the qualifications prescribed in those sections, shall successfully complete orientation and training requirements within one year of the date of the election or appointment. The orientation and training shall consist of at least sixteen hours with the cost of such training to be paid by the district.

2. All programs providing the orientation and training required under the provisions of this section shall be offered by a statewide association organized for the benefit of members of boards of education or be approved by the state board of education.]

162.1120. No state agency, board or commission shall establish any policy or rule which requires any person to obtain any state certificate pursuant to a public school program linking education and careers, including any school-to-work program, as a condition of employment, nor shall any state agency establish any policy or rule requiring any employer to require such state certificate as a condition of employment. Nothing in this section shall be construed to affect or limit any state

agency's authority regarding professional registration, licensing or issuance of professional certificates, nor shall this section be construed to limit or affect the authority of the state board of education to examine applicants and issue high school equivalency certificates.

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

(1) "Adjusted gross income":

(a) "District adjusted gross income per return" shall be the total Missouri individual adjusted gross income in a school district divided by the total number of Missouri income tax returns filed from the school district as reported by the state department of revenue for the second preceding year;

(b) "State adjusted gross income per return" shall be the total Missouri individual adjusted gross income divided by the total number of Missouri individual income tax returns, of those returns designating school districts, as reported by the state department of revenue for the second preceding year;

(c) "District income factor" shall be one plus thirty percent of the difference of the district income ratio minus one, except that the district income factor applied to the portion of the assessed valuation corresponding to any increase in assessed valuation above the assessed valuation of a district as of December 31, 1994, shall not exceed a value of one;

(d) "District income ratio" shall be the ratio of the district adjusted gross income per return divided by the state adjusted gross income per return;

(2) "Average daily attendance" means the quotient or the sum of the quotients obtained by dividing the total number of hours attended in a term by resident pupils between the ages of five and twenty-one by the actual number of hours school was in session in that term. To the average daily attendance of the school term shall be added the full-time equivalent average daily attendance of summer school students. "Full-time equivalent average daily attendance of summer school students" shall be computed by dividing the total number of hours attended by all summer school pupils by the number of hours required in section 160.011, RSMo, in the school term. For purposes of determining average daily attendance under this subdivision, the term "resident pupil" shall include all children between the ages of five and twenty-one who are residents of the school district and who are attending kindergarten through grade twelve in such district. If a child is attending school in a district other than the district of residence and the child's parent is teaching in the school district or is a regular employee of the school district which the child is attending, then such child shall be considered a resident pupil of the school district which the child is attending for such period of time when the district of residence is not otherwise liable for tuition. Average daily attendance for students below the age of five years for which a school district may receive state aid based on such

attendance shall be computed as regular school term attendance unless otherwise provided by law;

(3) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for debt service;

(4) "Eligible pupils" shall be the sum of the average daily attendance of the school term plus the product of two times the average daily attendance for summer school;

(5) "Equalized assessed valuation of the property of a school district" shall be determined by multiplying the assessed valuation of the real property subclasses specified in section 137.115, RSMo, times the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent and dividing by either the percent of true value as determined by the state tax commission on or before March fifteenth preceding the fiscal year in which the valuation will be effective as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater. To the equalized locally assessed valuation of each district shall be added the assessed valuation of tangible personal property. The assessed valuation of property which has previously been excluded from the tax rolls, which is being contested as not being taxable and which increases the total assessed valuation of the school district by fifty percent or more, shall not be included in the calculation of equalized assessed valuation under this subdivision;

(6) "Free and reduced lunch eligible pupil count", the number of pupils eligible for free and reduced lunch on the last Wednesday in January for the preceding school year who were enrolled as students of the district, as approved by the department in accordance with applicable federal regulations;

(7) "Guaranteed tax base" means the amount of equalized assessed valuation per eligible pupil guaranteed each school district by the state in the computation of state aid. To compute the guaranteed tax base, school districts shall be ranked annually from lowest to highest according to the amount of equalized assessed valuation per pupil. The guaranteed tax base shall be based upon the amount of equalized assessed valuation per pupil of the school district in which the ninety-fifth percentile of the state aggregate number of pupils falls during the third preceding year and shall be equal to the state average equalized assessed valuation per eligible pupil for the third preceding year times two and one hundred and sixty-seven thousandths. The average equalized assessed valuation per pupil shall be the quotient of the total equalized assessed valuation of the state divided by the number of eligible pupils;

(8) "Membership" shall be the average of (1) the number of resident full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in September of the previous year and who were in attendance one day or more during the preceding ten school days and (2) the number of resident full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in January of the previous year and who were in attendance one day or more during the preceding ten school days, plus the full-time equivalent number of summer school pupils. "Full-time equivalent number of part-time students" is determined by dividing the total number of hours for which all part-time students are enrolled by the number of hours in the school term. "Full-time equivalent number of summer school pupils" is determined by dividing the total number of hours for which all summer school pupils were enrolled by the number of hours required pursuant to section 160.011, RSMo, in the school term. Only students eligible to be counted for average daily attendance shall be counted for membership;

(9) "Operating levy for school purposes" means the sum of tax rates levied for teachers' and incidental funds in the payment year and shall be, after all adjustments and equalization of the operating levy, no less than the minimum value required in section 163.021 for eligibility for increases in state aid as calculated pursuant to section 163.031 and no greater than a maximum value of four dollars and sixty cents per one hundred dollars assessed valuation. To equalize the operating levy, multiply the aggregate tax rates for teachers', incidental, and building funds by either the percent of true value, as determined by the state tax commission on or before March fifteenth preceding the fiscal year in which the evaluation will be effective as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater, and divide by the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, provided that for any district for which the equivalent sales ratio is equal to or greater than thirty-three and one-third percent, the equalized operating levy shall be the adjusted operating levy. For any county in which the equivalent sales ratio is less than thirty-one and two-thirds percent, the state tax commission shall conduct a second study in that county and shall use a sample consisting of the parcels used as a sample in the original study combined with an equal number of newly selected parcels. If the new ratio is higher than the original ratio provided by this subdivision, the new ratio shall be used for the purposes of this subdivision and for determining equalized assessed valuation pursuant to

subdivision (5) of this section. For the purposes of calculating state aid pursuant to section 163.031, for any district which has not enacted a voluntary tax rate rollback nor increased the amount of a voluntary tax rate rollback from the previous year's amount, the tax rate used to determine a district's entitlement shall be adjusted so that any decrease in the entitlement due to a decrease in the tax rate resulting from the reassessment shall equal the decrease in the deduction for the assessed valuation of the district as a result of the change in the tax rate due to reassessment. The tax rate adjustments required under this subdivision due to reassessment shall be cumulative and shall be applied each year to determine the tax rate used to calculate the entitlement; except that whenever the actual current operating levy exceeds the tax rate calculated pursuant to this subdivision for the purpose of determining the district's entitlement, then the prior tax rate adjustments required under this subdivision due to reassessment shall be eliminated and shall not be applied in determining the tax rate used to calculate the district entitlement;

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

(11) "Teacher" means any teacher, teacher-secretary, substitute teacher, supervisor, principal, supervising principal, superintendent or assistant superintendent, school nurse, social worker, counselor or librarian who shall, regularly, teach or be employed for no higher than grade twelve more than one-half time in the public schools and who is certified under the laws governing the certification of teachers in Missouri;

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

(13) "Current operating costs", all expenditures for instruction and support services excluding capital outlay and debt service expenditures less the revenue from federal categorical sources, food service, student activities and payments from other districts.]

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

(1) "Adjusted gross income":

(a) "District adjusted gross income per return" shall be the total Missouri individual adjusted gross income in a school district divided by the total number of Missouri income tax returns filed from the school district as reported by the state department of revenue for the second preceding year;

(b) "State adjusted gross income per return" shall be the total Missouri individual adjusted gross income divided by the total number of Missouri individual income tax returns, of those returns designating school districts, as reported by the state department of revenue for the second preceding year;

(c) "District income factor" shall be one plus thirty percent of the difference of the district

income ratio minus one, except that the district income factor applied to the portion of the assessed valuation corresponding to any increase in assessed valuation above the assessed valuation of a district as of December 31, 1994, shall not exceed a value of one;

(d) "District income ratio" shall be the ratio of the district adjusted gross income per return divided by the state adjusted gross income per return;

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

(3) "Average daily attendance" means the quotient or the sum of the quotients obtained by dividing the total number of hours attended in a term by resident pupils between the ages of five and twenty-one by the actual number of hours school was in session in that term. To the average daily attendance of the following school term shall be added the full-time equivalent average daily attendance of summer school students. "Full-time equivalent average daily attendance of summer school students" shall be computed by dividing the total number of hours attended by all summer school pupils by the number of hours required in section 160.011, RSMo, in the school term. For purposes of determining average daily attendance under this subdivision, the term "resident pupil" shall include all children between the ages of five and twenty-one who are residents of the school district and who are attending kindergarten through grade twelve in such district. If a child is attending school in a district other than the district of residence and the child's parent is teaching in the school district or is a regular employee of the school district which the child is attending, then such child shall be considered a resident pupil of the school district which the child is attending for such period of time when the district of residence is not otherwise liable for tuition. Average daily attendance for students below the age of five years for which a school district may receive state aid based on such attendance shall be computed as regular school term attendance unless otherwise provided by law;

(4) "Current operating costs", all expenditures for instruction and support services excluding capital outlay and debt service expenditures less the revenue from federal categorical sources, food service, student activities and payments from other districts;

(5) "District's target rate", the district's average percentage of pupils from fiscal years 2000 to 2005 scoring at or above the proficiency level on the statewide assessment system on either mathematics or reading/communication arts plus one percentage point for each year after fiscal year 2005 except that the district's target rate shall not exceed the statewide average percentage from fiscal year 2000 to fiscal year 2005 scoring at or above the proficiency level on the statewide assessment system on either mathematics or reading/communication arts;

(6) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for debt service;

(7) "Eligible pupils" shall be the sum of the average daily attendance of the school term plus the product of two times the average daily attendance for summer school;

(8) "Equalized assessed valuation of the property of a school district" shall be determined by multiplying the assessed valuation of the real property subclasses specified in section 137.115, RSMo, times the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent and dividing by either the percent of true value as determined by the state tax commission on or before March fifteenth preceding the fiscal year in which the valuation will be effective as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater. To the equalized locally assessed valuation of each district shall be added the assessed valuation of tangible personal property. The assessed valuation of property which has previously been excluded from the tax rolls, which is being contested as not being taxable and which increases the total assessed valuation of the school district by fifty percent or more, shall not be included in the calculation of equalized assessed valuation under this subdivision;

(9) "Fiscal instructional ratio of efficiency", the quotient of the sum of the district's current operating costs for all kindergarten through grade twelve direct instructional and direct pupil support service functions plus the costs of improvement of instruction and the cost of purchased services and supplies for operation of the facilities housing those programs, excluding student activities, divided by the sum of the district's current operating cost for kindergarten through grade twelve, plus all tuition revenue received from other districts minus all noncapital transportation costs;

(10) "Free and reduced lunch eligible pupil count", the number of pupils eligible for free and reduced lunch on the last Wednesday in January for the preceding school year who were enrolled as students of the district, as approved by the department in accordance with applicable federal regulations;

(11) "Guaranteed tax base" means the amount of equalized assessed valuation per eligible pupil guaranteed each school district by the state in the computation of state aid. To compute the guaranteed tax base, school districts shall be ranked annually from lowest to highest according to the amount of equalized assessed valuation per pupil. The guaranteed tax base shall be based upon the amount of equalized assessed valuation per pupil of the school district in which the ninety-fifth percentile of the state aggregate number of pupils falls during the third preceding year and shall be equal to the state average equalized assessed valuation per eligible pupil for the third preceding year times two and one hundred and sixty-seven thousandths; except that, for the purposes of line 14(b) the guaranteed tax base shall be no greater than the guaranteed tax base used for the 1998-99 payment year. The average equalized assessed valuation per pupil shall be

the quotient of the total equalized assessed valuation of the state divided by the number of eligible pupils;

(12) "Membership" shall be the average of (1) the number of resident full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in September of the previous year and who were in attendance one day or more during the preceding ten school days and (2) the number of resident full-time students and the full-time equivalent number of part-time students who were enrolled in the public schools of the district on the last Wednesday in January of the previous year and who were in attendance one day or more during the preceding ten school days, plus the full-time equivalent number of summer school pupils. "Full-time equivalent number of part-time students" is determined by dividing the total number of hours for which all part-time students are enrolled by the number of hours in the school term. "Full-time equivalent number of summer school pupils" is determined by dividing the total number of hours for which all summer school pupils were enrolled by the number of hours required pursuant to section 160.011, RSMo, in the school term. Only students eligible to be counted for average daily attendance shall be counted for membership;

(13) "Operating levy for school purposes" for districts making transfers pursuant to subsection 4 of section 165.011, RSMo, based upon amounts multiplied by the guaranteed tax base, [or making payments or expenditures related to obligations made pursuant to section 177.088, RSMo, or any combination of such transfers, payments or expenditures,] means the sum of tax rates levied for teachers' and incidental funds plus the operating levy or sales tax equivalent pursuant to section 162.1100, RSMo, of any transitional school district containing the school district, in the payment year, and, for other districts, means the sum of tax rates levied for incidental, teachers', debt service and capital projects funds plus the operating levy or sales tax equivalent pursuant to section 162.1100, RSMo, of any transitional school district containing the school district, with no more than eighteen cents of the sum levied in the debt service and capital projects funds. Any portion of the operating levy for school purposes levied in the debt service and capital projects funds in excess of a sum of ten cents must be authorized by a vote of the people, after August 28, 1998, approving an increase in the operating levy, or a full waiver of the rollback pursuant to section 164.013, RSMo, with a tax rate ceiling in excess of the minimum tax rate or an issuance of general obligation bond. The operating levy shall be, after all adjustments and equalization of the operating levy, no greater than a maximum value of four dollars and ninety-five cents per one hundred dollars assessed valuation, except that the operating levy shall be no greater than a maximum value of four dollars and seventy cents per one hundred dollars assessed valuation for the purposes of line 2 of subsection 6 of section 163.031. To equalize the operating levy, multiply the aggregate tax rates for teachers' and incidental funds by either the percent of true value, as determined by the state tax commission on or before March fifteenth

preceding the fiscal year in which the evaluation will be effective as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater, and divide by the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, provided that for any district for which the equivalent sales ratio is equal to or greater than thirty-three and one-third percent, the equalized operating levy shall be the adjusted operating levy. For any county in which the equivalent sales ratio is less than thirty-one and two-thirds percent, the state tax commission shall conduct a second study in that county and shall use a sample at least twice as large as the one originally used. If the new ratio is higher than the original ratio provided by this subdivision, the new ratio shall be used for the purposes of this subdivision and for determining equalized assessed valuation pursuant to subdivision (8) of this section. For the purposes of calculating state aid pursuant to section 163.031, for any district which has not enacted a voluntary tax rate rollback nor increased the amount of a voluntary tax rate rollback from the previous year's amount, the tax rate used to determine a district's entitlement shall be adjusted so that any decrease in the entitlement due to a decrease in the tax rate resulting from the reassessment shall equal the decrease in the deduction for the assessed valuation of the district as a result of the change in the tax rate due to reassessment. The tax rate adjustments required under this subdivision due to reassessment shall be cumulative and shall be applied each year to determine the tax rate used to calculate the entitlement; [except that whenever the actual current operating levy exceeds the tax rate calculated pursuant to this subdivision for the purpose of determining the district's entitlement, then the prior tax rate adjustments required under this subdivision due to reassessment shall be eliminated and shall not be applied in determining the tax rate used to calculate the district entitlement;]

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

(15) "Teacher" means any teacher, teacher-secretary, substitute teacher, supervisor, principal, supervising principal, superintendent or assistant superintendent, school nurse, social worker, counselor or librarian who shall, regularly, teach or be employed for no higher than grade twelve more than one-half time in the public schools and who is certified under the laws governing the certification of teachers in Missouri.

[163.015. 1. Notwithstanding any other provision of law, for districts not making transfers pursuant to subsection 4 of section 165.011, RSMo, nor making payments or expenditures related to obligations made pursuant to section 177.088, RSMo, nor any combination of such transfers, payments or expenditures, the district's operating levy for school purposes shall include the sum of tax rates levied for incidental, teachers', debt service and capital projects funds, with no more than eighteen cents of the sum levied in

the debt service and capital projects funds. Any portion of the operating levy for school purposes levied in the debt service and capital projects funds in excess of a sum of ten cents must be authorized by a vote of the people, after August 28, 1998, approving an increase in the operating levy, or a full waiver of the rollback pursuant to section 164.013, RSMo, with a tax rate ceiling in excess of the minimum tax rate or an issuance of general obligation bond.

2. Notwithstanding any other provision of law, beginning with the tax year which commences January 1, 1998, and for the 1998-99 school year and subsequent tax and school years, no school district shall receive more state aid, as calculated under section 163.031, for its education program, exclusive of categorical add-ons, than it received per eligible pupil for the school year 1993-94, unless it has an operating levy for school purposes of not less than two dollars and seventy-five cents after all adjustments and reductions, with no more than ten cents of this tax rate levied in the debt service and capital projects funds and eligible for entry on line 1 of the state school aid formula contained in subsection 6 of section 163.031; except that any district which is required, pursuant to article X, section 22 of the Missouri Constitution, to reduce its operating levy below the minimum tax rate otherwise required under subsection 2 of section 163.021 shall not be construed to be in violation of subsection 2 of section 163.021 for making such tax rate reduction.

3. Notwithstanding any other provision of law, the portion of state aid received by the district pursuant to section 163.031, based upon the portion of the tax rate in the debt service or capital projects funds, respectively, which is included in the operating levy for school purposes shall be placed to the credit of the debt service fund or capital projects fund, respectively.]

163.172. 1. In school year [1994-95 and thereafter] **1999-2000**, the minimum teacher's salary shall be eighteen thousand dollars. [Beginning in the school year 1996-97, for] **In school year 2000-2001, the minimum teacher's salary shall be twenty thousand dollars. In school year 2001-2002 and thereafter, the minimum teacher's salary shall be twenty-one thousand dollars.** Any full-time teacher with **at least** a master's degree and at least ten years teaching experience in a public school or combination of public schools, the minimum salary shall be twenty-four thousand dollars. **For full-time teachers with at least a master's degree and at least ten years teaching experience their minimum salary in school year 2000-2001 shall be twenty-six thousand dollars and in school year 2001-2002 and thereafter their minimum salary shall be twenty-seven thousand dollars.**

2. Beginning with the budget requests for fiscal year 1991, the commissioner of education shall present to the appropriate committees of the general assembly information on the average Missouri teacher's salary, regional average salary data, and national average salary data.

3. All school salary information shall be public information.

4. As used in this section, the term "salary" shall be defined as the salary figure which appears on the teacher's contract and as determined by the local school district's basic salary schedule and does not include supplements for extra duties **or career ladder payments**.

5. The minimum salary for any fully certificated teacher employed on a less than full-time basis by a school district, state school for the severely handicapped, the Missouri School for the Deaf, or the Missouri School for the Blind shall be prorated to reflect the amounts provided in subsections 1 and 2 of this section.

6. Beginning with the 1996-97 school year, the general assembly shall make an annual appropriation to the excellence in education fund established in section 160.268, RSMo, for the purpose of fulfilling the minimum salary requirements for public school teachers in those districts meeting the qualifications established in subsection 7 of this section. The appropriation shall be sufficient to ensure that all qualifying districts are able to comply with the minimum salary requirements of this section. The department of elementary and secondary education shall determine, prior to each school year, those districts which shall be eligible to receive funds in this subsection during the school year. [A qualifying district shall be eligible to receive funds appropriated in this subsection only during the first three years following the district's qualifying for such funds.

7. To qualify to begin receiving funds in subsection 6 of this section, a school district shall meet all of the following criteria:

(1) A portion of the real property of the district shall have been removed from the tax rolls due to the impact of state or federal government action;

(2) The district shall have received no more state aid on a per pupil basis for each of the last three school years, exclusive of categorical funding, than the district received for the 1992-93 school year;

(3) The salaries paid to all teachers in the district for the school year prior to qualification shall be totally compacted at the eighteen thousand dollar per year minimum established in this section;

(4) The district shall have in its employ for the school year prior to qualification one or more teachers with a master's degree and at least ten years' teaching experience in a public school or a combination of public schools;

(5) The district shall be financially distressed or have a history of deficit spending which, if continued, will cause the district to become financially distressed within three years;

(6) The district had an enrollment of no greater than four hundred pupils for the preceding school year; and

(7) The district shall have levied an operating levy for school purposes of not less than two dollars seventy-five cents per one hundred dollars of assessed valuation for the previous year and

shall continue to levy at no less than that rate.

8. For any school year in which a school district receives funds pursuant to subsections 6 and 7 of this section, such school district shall continue to expend on teacher salaries no less than the amount it expended on teacher salaries in the school year immediately prior to the school year in which it first receives such funds.

9. No school district receiving funds pursuant to subsections 6 and 7 of this section shall receive additional funds pursuant to subsection 6 of this section by virtue of the annexation of another school district to such school district during or after the school year immediately prior to the school year in which the annexing district first receives such funds; nor shall any school district annexed to a school district receiving funds pursuant to subsections 6 and 7 of this section also receive funds pursuant to subsection 6 of this section by virtue of such annexation if such annexation occurred during or after the school year immediately prior to the school year in which the annexing school district first receives such funds.]

7. For any school year in which a school district receives funds pursuant to this section, such school district:

(1) Shall not increase any voluntary property tax rollback;

(2) Shall be in compliance with the compensation compliance ratio provisions for certificated staff as described in subsection 5 of section 165.011, RSMo, before the minimum salary payment as provided in this section is added to the numerator and denominator of the compensation compliance ratio;

(3) Shall have completed transfers from the incidental fund to the capital projects fund or the debt service fund in conformity with the requirements of section 165.011, RSMo, or section 163.021.

8. Districts in financial stress as defined in sections 161.520 and 161.525, RSMo, are exempted from the requirements of subsection 7 of this section and must comply with all requirements of sections 161.520 and 161.527, RSMo, and operate under an approved budget and education plan to qualify for funds pursuant to this section.

165.011. 1. The following funds are created for the accounting of all school moneys: teachers' fund, incidental fund, free textbook fund, capital projects fund and debt service fund. The treasurer of the school district shall open an account for each fund specified in this section, and all moneys received from the county school fund and all moneys derived from taxation for teachers' wages shall be placed to the credit of the teachers' fund. All tuition fees, state moneys received under sections 162.975, RSMo, and 163.031, RSMo, and all other moneys received from the state except as herein provided shall be placed to the credit of the teachers' and incidental funds at the discretion of the district board of education. The portion of state aid received by the district pursuant to section 163.031, RSMo, based upon the portion of the tax rate in the debt service or capital projects [funds] **fund**, respectively, which is included in the operating

levy for school purposes pursuant to section 163.011, RSMo, shall be placed to the credit of the debt service fund or capital projects fund, respectively. Money received from other districts for transportation, and money derived from taxation for incidental expenses shall be credited to the incidental fund. Money apportioned for free textbooks shall be credited to the free textbook fund. All money derived from taxation or received from any other source for the erection of buildings or additions thereto and the remodeling or reconstruction of buildings and the furnishing thereof, for the payment of lease-purchase obligations, for the purchase of real estate, or from sale of real estate, schoolhouses or other buildings of any kind, or school furniture, from insurance, from sale of bonds other than refunding bonds shall be placed to the credit of the capital projects fund. All moneys derived from the sale or lease of sites, buildings, facilities, furnishings and equipment by a school district as authorized under section 177.088, RSMo, shall be credited to the capital projects fund. Money derived from taxation for the retirement of bonds and the payment of interest thereon shall be credited to the debt service fund which shall be maintained as a separate bank account. Receipts from delinquent taxes shall be allocated to the several funds on the same basis as receipts from current taxes, except that where the previous years' obligations of the district would be affected by such distribution, the delinquent taxes shall be distributed according to the tax levies made for the years in which the obligations were incurred. All refunds received shall be placed to the credit of the fund from which the original expenditures were made. Money donated to the school districts shall be placed to the credit of the fund where it can be expended to meet the purpose for which it was donated and accepted. Money received from any other source whatsoever shall be placed to the credit of the fund or funds designated by the board.

2. The school board may expend from the incidental fund the sum that is necessary for the ordinary repairs of school property and an amount not to exceed the sum of expenditures for classroom instructional capital outlay, as defined by the department of elementary and secondary education by rule, in state-approved area vocational-technical schools and .06 dollars per one hundred dollars equalized assessed valuation multiplied by the guaranteed tax base for the second preceding year multiplied by the number of resident and nonresident eligible pupils educated in the district for the second preceding year for classroom instructional capital outlay, including but not limited to payments authorized pursuant to section 177.088, RSMo. Any and all payments authorized under section 177.088, RSMo, except as otherwise provided in this subsection, for the purchase or lease of sites, buildings, facilities, furnishings and equipment and all other expenditures for capital outlay shall be made from the capital projects fund. If a balance remains in the free textbook fund after books are furnished to pupils as provided in section 170.051, RSMo, it shall be transferred to the teachers' fund. The board may transfer the portion of the balance remaining in the incidental fund to the teachers' fund that is necessary for the total payment of all contracted obligations to teachers. If a balance remains in the debt service fund, after the total outstanding indebtedness for which the fund was levied is paid, the board may transfer the

unexpended balance to the capital projects fund. If a balance remains in the bond proceeds after completion of the project for which the bonds were issued, the balance shall be transferred from the incidental or capital projects fund to the debt service fund. After making all placements of interest otherwise provided by law, a school district may transfer from the capital projects fund to the incidental fund the interest earned from undesignated balances in the capital projects fund. A school district may borrow from one of the following funds: teachers' fund, incidental fund or capital projects fund, as necessary to meet obligations in another of those funds; provided that the full amount is repaid to the lending fund within the same fiscal year.

3. Tuition shall be paid from either the teachers' or incidental funds.

4. Other provisions of law to the contrary notwithstanding, the school board of a school district that satisfies the criteria specified in subsection 5 of this section may transfer from the incidental fund to the capital projects fund an amount not to exceed the greater of zero or the sum of .18 dollars per one hundred dollars equalized assessed valuation multiplied by the guaranteed tax base for the second preceding year multiplied by the number of resident and nonresident eligible pupils educated in the district for the second preceding year and the amount to be expended for transportation equipment that is considered an allowable cost under state board of education rules for transportation reimbursements during the current year and any amount necessary to satisfy obligations of the capital projects fund for state-approved area vocational-technical schools and an amount not to exceed .06 dollars per one hundred dollars equalized assessed valuation multiplied by the guaranteed tax base for the second preceding year multiplied by the number of resident and nonresident eligible pupils educated in the district for the second preceding year less any amount transferred pursuant to subsection 7 of this section, provided that any amount transferred pursuant to this subsection shall only be transferred as necessary to satisfy obligations of the capital projects fund less any amount expended from the incidental fund for classroom instructional capital outlay pursuant to subsection 2 of this section. For the purposes of this subsection, the guaranteed tax base and a district's count of resident and nonresident eligible pupils educated in the district shall not be less than their respective values calculated from data for the 1992-93 school year.

5. In order to transfer funds pursuant to subsection 4 of this section, a school district shall:

(1) Meet the minimum criteria for state aid and for increases in state aid for the current year established pursuant to section 163.021, RSMo;

(2) Not incur a total debt, including short-term debt and bonded indebtedness in excess of ten percent of the guaranteed tax base for the preceding payment year multiplied by the number of resident and nonresident eligible pupils educated in the district in the preceding year;

(3) Set tax rates pursuant to section 164.011, RSMo;

(4) First apply any voluntary rollbacks or reductions to the total tax rate levied to the teachers' and incidental funds;

(5) In order to be eligible to transfer funds for paying lease purchase obligations:

(a) Incur such obligations, except for obligations for lease purchase for school buses, prior to January 1, 1997;

(b) Limit the term of such obligations to no more than twenty years;

(c) Limit annual installment payments on such obligations to an amount no greater than the amount of the payment for the first full year of the obligation, including all payments of principal and interest, except that the amount of the final payment shall be limited to an amount no greater than two times the amount of such first-year payment;

(d) Limit such payments to leasing nonathletic, classroom, instructional facilities as defined by the state board of education through rule; and

(e) Not offer instruction at a higher grade level than was offered by the district on July 12, 1994.

6. A school district shall be eligible to transfer funds pursuant to subsection 7 of this section if:

(1) Prior to August 28, 1993:

(a) The school district incurred an obligation for the purpose of funding payments under a lease purchase contract authorized under section 177.088, RSMo;

(b) The school district notified the appropriate local election official to place an issue before the voters of the district for the purpose of funding payments under a lease purchase contract authorized under section 177.088, RSMo; or

(c) An issue for funding payments under a lease purchase contract authorized under section 177.088, RSMo, was approved by the voters of the district; or

(2) Prior to November 1, 1993, a school board adopted a resolution authorizing an action necessary to comply with subsection 9 of section 177.088, RSMo. Any increase in the operating levy of a district above the 1993 tax rate resulting from passage of an issue described in paragraph (b) of subdivision (1) of this subsection shall be considered as part of the 1993 tax rate for the purposes of subsection 1 of section 164.011, RSMo.

7. Prior to transferring funds pursuant to subsection 4 of this section, a school district may transfer, pursuant to this subsection, from the incidental fund to the capital projects fund an amount as necessary to satisfy an obligation of the capital projects fund that satisfies at least one of the conditions specified in subsection 6 of this section, but not to exceed its payments authorized under section 177.088, RSMo, for the purchase or lease of sites, buildings, facilities, furnishings, equipment, and all other expenditures for capital outlay, plus the amount to be expended for transportation equipment that is considered an allowable cost under state board of education rules for transportation reimbursements during the current year plus any amount necessary to satisfy obligations of the capital projects fund for state-approved area vocational-technical schools. A school district with a levy for school purposes no greater than the minimum levy specified in

section 163.021, RSMo, and an obligation in the capital projects fund that satisfies at least one of the conditions specified in subsection 6 of this section, may transfer from the incidental fund to the capital projects fund the amount necessary to meet the obligation plus the transfers pursuant to subsection 4 of this section.

8. Beginning in the 1995-96 school year, the department of elementary and secondary education shall deduct from a school district's state aid calculated pursuant to section 163.031, RSMo, an amount equal to the amount of any transfer of funds from the incidental fund to the capital projects fund performed during the previous year in violation of this section; **except that the state aid shall be deducted in equal amounts over the five school years following the school year of an unlawful transfer provided that:**

(1) The district shall provide written notice to the state board of education, no later than June first of the first school year following the school year of the unlawful transfer, stating the district's intention to comply with the provisions of subdivisions (1) to (4) of this subsection and have state aid deducted for that unlawful transfer over a five-year period;

(2) On or before September first of the second school year following the school year of the unlawful transfer, the district shall approve an increase to the district's operating levy for school purposes to the greater of: two dollars and seventy-five cents per one hundred dollars assessed valuation or the levy which produces an increase in total state and local revenues, as determined by the department, in comparison to the first school year following the school year of the unlawful transfer which is equal to or greater than the amount of state aid to be deducted pursuant to this subsection each school year for such unlawful transfer, provided that increases required pursuant to this subdivision for subsequent unlawful transfers shall be made in comparison to the latter tax rate described in this subdivision;

(3) During each school year after the school year in which the operating levy is increased pursuant to subdivision (2) of this subsection and in which state aid is deducted pursuant to subdivisions (1) to (4) of this subsection, the district shall maintain an operating levy for school purposes which produces total state and local revenues for the district which are no less than the total state and local revenues produced by the levy required pursuant to subdivision (2) of this subsection;

(4) During each school year state aid is deducted pursuant to subdivisions (1) to (4) of this subsection except for the 1998-99 school year, the district shall maintain compliance with the requirements of section 165.016 without any recourse to waivers or base year adjustments and without the option to demonstrate compliance based upon the district's fund balances; and

(5) If, in any school year state aid is deducted pursuant to subdivisions (1) to (4) of this subsection, the district fails to comply with any requirement of subdivisions (1)

to (4) of this subsection, the full, remaining amount of state aid to be deducted pursuant to this subsection shall be deducted from the district's state aid payments by the department during such school year.

9. On or before June 30, 1999, a school district may transfer to the capital projects fund from the balances of the teachers' and incidental funds any amount, but only to the extent that the amount transferred is equal to or less than the amount that the teachers' and incidental [fund] **funds'** unrestricted balances on June 30, 1995, exceeded eight percent of expenditures from the teachers' and incidental funds for the year ending June 30, 1995.

10. (1) Other provisions of law to the contrary notwithstanding, a school district which satisfies all conditions specified in subdivision (2) of this subsection may make the transfer allowed in subdivision (3) of this subsection.

(2) To make the transfer allowed under subdivision (3) of this subsection, a school district shall:

(a) Have a membership count for school year 1997-98 which is at least sixteen percent greater than the district's membership count for the 1991- 92 school year; and

(b) Have passed a full waiver of Proposition C tax rate rollback pursuant to section 164.013, RSMo, or approved an increase to the district's tax rate ceiling on or after June 1, 1994; and

(c) Be in compliance or have paid all penalties required pursuant to section 165.016 for the 1994-95, 1995-96 and 1996-97 school years without waiver or adjustment of the base school year certificated salary percentage; and

(d) After all transfers, have a remaining balance on June 30, 1998, in the combined teachers' and incidental funds which is no less than ten percent of the combined expenditures from those funds for the 1997-98 school year.

(3) A district which satisfies all of the criteria specified in paragraphs (a) to (d) of subdivision (2) of this subsection may, on or before June 30, 1998, make a one-time combined transfer from the teachers' and incidental funds to the capital projects fund of an amount no greater than the sum of the following amounts:

(a) The product of the district's equalized assessed valuation for 1994 times the difference of the district's equalized operating levy for school purposes for 1994 minus the district's equalized operating levy for school purposes for 1993;

(b) The product of the district's equalized assessed valuation for 1995 times the difference of the district's equalized operating levy for school purposes for 1995 minus the district's equalized operating levy for school purposes for 1993;

(c) The product of the district's equalized assessed valuation for 1996 times the difference of the district's equalized operating levy for school purposes for 1996 minus the district's equalized operating levy for school purposes for 1993;

(d) The product of the district's equalized assessed valuation for 1997 times the difference of the district's equalized operating levy for school purposes for 1997 minus the district's equalized operating levy for school purposes for 1993; provided that the remaining balance in the incidental fund shall be no less than twelve percent of the total expenditures during that fiscal year from the incidental fund.

(4) A district which makes a transfer pursuant to subdivision (3) of this subsection shall be subject to compliance with the requirements of section 165.016 for fiscal years 1999, 2000 and 2001, without the option to request a waiver or an adjustment of the base school year certificated salary percentage.

(5) Other provisions of section 165.016 to the contrary notwithstanding, the transfer of an amount of funds from either the teachers' or incidental funds to the capital projects fund pursuant to subdivision (3) of this subsection shall not be considered an expenditure from the teachers' or incidental fund for the purpose of determining compliance with the provisions of subsections 1 and 2 of section 165.016.

11. In addition to other transfers authorized under subsections 1 to 9 of this section, a district may transfer from the teachers' and incidental funds to the capital projects fund the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district; provided that the contract is only for energy conservation measures, as defined in section 640.651, RSMo, and provided that the contract specifies that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized by the school district.

167.151. 1. The school board of any district, in its discretion, may admit to the school pupils not entitled to free instruction and prescribe the tuition fee to be paid by them, except as provided in sections 167.121 and 167.131.

2. Orphan children, children with only one parent living, and children whose parents do not contribute to their support--if the children are between the ages of six and twenty years and are unable to pay tuition--may attend the schools of any district in the state in which they have a permanent or temporary home without paying a tuition fee.

3. Any person who pays a school tax in any other district than that in which he resides may send his children to any public school in the district in which the tax is paid and receive as a credit on the amount charged for tuition the amount of the school tax paid to the district; except that any person who owns real estate of which eighty acres or more are used for agricultural purposes and upon which his residence is situated may send his children to public school in any school district in which a part of such real estate, contiguous to that upon which his residence is situated, lies and shall not be charged tuition therefor; so long as thirty-five percent of the real estate is located in the school district of choice. The school district of choice shall count the

children as eligible pupils for the purpose of distribution of state aid through the foundation formula.

4. Any owner of agricultural land who, pursuant to subsection 3 of this section, has the option of sending his children to the public schools of more than one district shall exercise such option as provided in this subsection. Such person shall send written notice to all school districts involved specifying to which school district his children will attend by June thirtieth in which such a school year begins. If notification is not received, such children shall attend the school in which the majority of his property lies. Such person shall not send any of his children to the public schools of any district other than the one to which he has sent notice pursuant to this subsection in that school year or in which the majority of his property lies without paying tuition to such school district.

5. If a pupil is attending school in a district other than the district of residence and the pupil's parent is teaching in the school district or is a regular employee of the school district which the pupil is attending, then the district in which the pupil attends school shall allow the pupil to attend school upon payment of tuition in the same manner in which the district allows other pupils not entitled to free instruction to attend school in the district. The provisions of this subsection shall apply only to pupils attending school in a district which has an enrollment in excess of thirteen thousand pupils and not in excess of fifteen thousand pupils and which district is located in a county of the first classification with a charter form of government which has a population in excess of six hundred thousand persons and not in excess of nine hundred thousand persons.

167.171. 1. The school board in any district, by general rule and for the causes provided in section 167.161, may authorize the summary suspension of pupils by principals of schools for a period not to exceed ten school days and by the superintendent of schools for a period not to exceed one hundred and eighty school days. In case of a suspension by the superintendent for more than ten school days, the pupil, the pupil's parents or others having such pupil's custodial care may appeal the decision of the superintendent to the board or to a committee of board members appointed by the president of the board which shall have full authority to act in lieu of the board. Any suspension by a principal shall be immediately reported to the superintendent who may revoke the suspension at any time. In event of an appeal to the board, the superintendent shall promptly transmit to it a full report in writing of the facts relating to the suspension, the action taken by the superintendent and the reasons therefor and the board, upon request, shall grant a hearing to the appealing party to be conducted as provided in section 167.161.

2. No pupil shall be suspended unless:

- (1) The pupil shall be given oral or written notice of the charges against such pupil;
- (2) If the pupil denies the charges, such pupil shall be given an oral or written explanation

of the facts which form the basis of the proposed suspension;

(3) The pupil shall be given an opportunity to present such pupil's version of the incident;
and

(4) In the event of a suspension for more than ten school days, where the pupil gives notice that such pupil wishes to appeal the suspension to the board, the suspension shall be stayed until the board renders its decision, unless in the judgment of the superintendent of schools, or of the district superintendent, the pupil's presence poses a continuing danger to persons or property or an ongoing threat of disrupting the academic process, in which case the pupil may be immediately removed from school, and the notice and hearing shall follow as soon as practicable.

3. No school board shall readmit or enroll a pupil properly suspended for more than ten consecutive school days for an act of school violence as defined in subsection 2 of section 160.261, RSMo, or suspended or expelled pursuant to this section or section 167.161 or otherwise permit such pupil to attend school without first holding a conference to review the conduct that resulted in the expulsion or suspension and any remedial actions needed to prevent any future occurrences of such or related conduct. The conference shall include the appropriate school officials including any teacher employed in that district directly involved with the conduct that resulted in the suspension or expulsion, the pupil, the parent or guardian of the pupil or any agency having legal jurisdiction, care, custody or control of the pupil. The school board shall notify in writing the parents or guardians and all other parties of the time, place, and agenda of any such conference. Failure of any party to attend this conference shall not preclude holding the conference. Notwithstanding any provision of this subsection to the contrary, no pupil shall be readmitted or enrolled **to a regular program of instruction** if:

(1) Such pupil has been convicted of; or
(2) An indictment or information has been filed alleging that the pupil has committed one of the acts enumerated in subdivision (4) of this subsection to which there has been no final judgment; or

(3) A petition has been filed pursuant to section 211.091, RSMo, alleging that the pupil has committed one of the acts enumerated in subdivision (4) of this subsection to which there has been no final judgment; or

(4) The pupil has been adjudicated to have committed an act which if committed by an adult would be one of the following:

- (a) First degree murder under section 565.020, RSMo;
- (b) Second degree murder under section 565.021, RSMo;
- (c) First degree assault under section 565.050, RSMo;
- (d) Forcible rape under section 566.030, RSMo;
- (e) Forcible sodomy under section 566.060, RSMo;
- (f) Robbery in the first degree under section 569.020, RSMo;

(g) Distribution of drugs to a minor under section 195.212, RSMo;

(h) Arson in the first degree under section 569.040, RSMo;

(i) Kidnapping, when classified as a class A felony under section 565.110, RSMo. Nothing in this subsection shall prohibit the readmittance or enrollment of any pupil if a petition has been dismissed, or when a pupil has been acquitted or adjudicated not to have committed any of the above acts. This subsection shall not apply to a student with a disability, as identified under state eligibility criteria, who is convicted or adjudicated guilty as a result of an action related to the student's disability. **Nothing in this subsection shall be construed to prohibit a school district which provides an alternative education program from enrolling a pupil in an alternative education program if the district determines such enrollment is appropriate.**

4. If a pupil is attempting to enroll in a school district during a suspension or expulsion from another school district, a conference with the superintendent or the superintendent's designee may be held at the request of the parent, court appointed legal guardian, someone acting as a parent as defined by rule in the case of a special education student, or the pupil to consider if the conduct of the pupil would have resulted in a suspension or expulsion in the district in which the pupil is enrolling. Upon a determination by the superintendent or the superintendent's designee that such conduct would have resulted in a suspension or expulsion in the district in which the pupil is enrolling or attempting to enroll, the school district may make such suspension or expulsion from another district effective in the district in which the pupil is enrolling or attempting to enroll. Upon a determination by the superintendent or the superintendent's designee that such conduct would not have resulted in a suspension or expulsion in the district in which the student is enrolling or attempting to enroll, the school district shall not make such suspension or expulsion effective in its district in which the student is enrolling or attempting to enroll.

167.243. 1. Any school district may create a committee to work with teachers and organized parental groups to provide youth-at-risk after school and summer art, science and math programs to minors at least five years of age and not more than fourteen years of age.

2. Curricula criteria may be developed by accredited teachers, parental groups and the committee.

3. The committee may accept funds from any source for the program.

167.333. 1. (1) The department of elementary and secondary education shall, subject to appropriation, provide four-year competitive matching grants to school districts or school buildings to support the cost of reading assessment, teacher and administrator training in the use of reading assessment, and teacher and administrator training in early grade reading intervention strategies which give classroom teachers

options for selecting the method most appropriate for individual students' particular needs.

(2) Each school district's grant application shall include a statement of the process to be used to measure student progress in improving reading. Each school district receiving a grant pursuant to this section shall show improvement by the students served under the grant by the end of the second school year of the grant in order to receive funds for the third and fourth school years of the grant. Recipient school districts demonstrating significant improvement in third grade communications arts assessment established pursuant to section 160.518, RSMo, over the period of the grant shall receive, from funds appropriated for that purpose, an additional, one-time payment equal to its contribution to the original grant, and such additional payment shall be expended for professional development as authorized in subsection 1 of section 160.530, RSMo. The department of elementary and secondary education shall determine, by rule, the grant application process and the criteria for such additional payments pursuant to this section.

(3) The state board of education shall develop a list of recommended reading assessments for kindergarten through grade three pupils by July 1, 2000. Such assessments shall have a demonstrated effectiveness based on research. The list shall incorporate a variety of methods and may also include reading improvement programs. The list shall serve as a guideline for districts choosing reading improvement assessment and instructional methods pursuant to the grant program established in this section. Districts are not required to use a reading assessment from the list developed pursuant to this section.

(4) For any year in which more than fifty percent of the third grade students in a school district perform at the lowest two levels of the third grade communications arts assessment established pursuant to section 160.518, RSMo, the school board of the district shall, for the following school year, redirect a percentage of state-level remedial reading funds received pursuant to section 162.975, RSMo, that at least equals the percentage of third grade students performing at the lowest levels of that assessment, provided that such redirection does not result in a reduction of federal education funding. The redirected funds shall be used for intensive reading programs in grades kindergarten through three. The redirection of funds pursuant to this subsection shall be a reportable item pursuant to section 160.522, RSMo.

2. (1) School districts may adopt a policy with regard to student promotion which may require remediation as a condition of promotion to the next grade level for any student identified by the district as failing to master skills and competencies established for that particular grade level by the school board of the district. The policy may also require parents or guardians of such students to commit to conduct

home-based tutorial activities with their children.

(2) Such remediation required pursuant to this subsection may include, but shall not be limited to, a mandatory summer school program focused on the areas of deficiency and may include other such activities conducted by the school district outside of the regular school day.

(3) School districts providing remediation pursuant to this subsection outside of the traditional school day may count extra hours of instruction in the calculation of average daily attendance as defined in section 163.011, RSMo.

(4) Any student scoring at the lowest level of proficiency, in any subject, at any grade-level under the state-wide assessment established pursuant to section 160.518, RSMo, shall be required to retake that assessment the following year. Students who receive special education services pursuant to sections 162.670 to 162.955, RSMo, shall be retested only in accordance with the student's individualized education plan. School districts shall evaluate student progress toward proficiency after the initial assessment and report this progress in the aggregate at the building level as a part of the annual report issued to patrons of the district pursuant to section 160.522, RSMo.

(5) The state board of education shall establish, by rule, a method for determining the effectiveness of assisting students identified under subdivision (4) of this subsection. Such rule shall make allowances for students who have recently entered the school district. School districts shall report only the scores of students meeting the district's attendance policy, and no report shall disclose student achievement data in such a manner that would personally identify any student.

(6) The state board of education, beginning in the 2001 school year, shall include the date reported pursuant to subdivision (4) of this subsection as an element in identifying academic deficient schools pursuant to section 160.538, RSMo, and in the school accreditation process pursuant to section 161.092, RSMo.

168.295. 1. Any metropolitan school district with at least a five percent shortage of certified teachers may apply to the department of elementary and secondary education for waivers to allow retired certificated teachers to teach for up to two years without losing his or her retirement benefits. Such retired teacher need not be in the teachers' salary scale.

2. The provisions of this section shall not increase the retirement benefits of any such teacher.

3. The department of elementary and secondary education shall approve the areas of education within which a shortage exists for the purposes of this section.

4. The department of elementary and secondary education shall adopt rules to implement the provisions of this section.

5. No rule or portion of a rule promulgated pursuant to the authority of this

section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo.

168.302. No school district may require any art, music or physical education teacher to teach more than six hundred students during a school term unless the district has requested and received, prior to the beginning of the school term, a written waiver from the state board of education which shall allow such teachers to teach up to seven hundred and fifty students during a school term.

170.011. 1. Regular courses of instruction in the Constitution of the United States and of the state of Missouri and in American history and institutions shall be given in all public and private schools in the state of Missouri, except privately operated trade schools, and shall begin not later than the seventh grade and continue in high school to an extent determined by the state commissioner of education, and shall continue in college and university courses to an extent determined by the state commissioner of higher education. In the 1990-91 school year and each year thereafter, local school districts maintaining high schools shall comply with the provisions of this section by offering in grade nine, ten, eleven, or twelve a course of instruction in the institutions, branches and functions of the government of the state of Missouri, including local governments, and of the government of the United States, and in the electoral process. A local school district maintaining such a high school shall require that prior to the completion of the twelfth grade each pupil, who receives a high school diploma or certificate of graduation on or after January 1, 1994, shall satisfactorily complete such a course of study. Such course shall be of at least one semester in length and may be two semesters in length. The department of elementary and secondary education may provide assistance in developing such a course if the district requests assistance.

2. American history courses at the elementary and secondary levels shall include, in their proper time-line sequence, specific referrals to the details and events of the racial equality movement that have caused major changes in United States and Missouri laws and attitudes.

3. No pupil shall receive a certificate of graduation from any public or private school other than private trade schools unless he has satisfactorily passed an examination on the provisions and principles of the Constitution of the United States and of the state of Missouri, and in American history and American institutions. A student of a college or university, who, after having completed a course of instruction prescribed in this section and successfully passed an examination on the United States Constitution, and in American history and American institutions required hereby, transfers to another college or university, is not required to complete another such course or pass another such examination as a condition precedent to his graduation from the college or university.

[3.] **4.** In the 1990-91 school year and each year thereafter, each school district

maintaining a high school may annually nominate to the state board of education a student who has demonstrated knowledge of the principles of government and citizenship through academic achievement, participation in extracurricular activities, and service to the community. Annually, the state board of education shall select fifteen students from those nominated by the local school districts and shall recognize and award them for their academic achievement, participation and service.

[4.] 5. The state commissioner of education and the state commissioner of higher education shall make arrangements for carrying out the provisions of this section and prescribe a list of suitable texts adapted to the needs of the school grades and college courses, respectively.

[5.] 6. The willful neglect of any superintendent, principal or teacher to observe and carry out the requirements of this section is sufficient cause for termination of his contract.

[6.] 7. The provisions of this section shall not apply to students from foreign countries who are enrolled in public or private high schools in Missouri, if such students are foreign exchange students sponsored by a national organization recognized by the department of elementary and secondary education.

170.015. 1. Any course materials and instruction relating to human sexuality and sexually transmitted diseases shall be medically and factually accurate and shall:

(1) Present abstinence from sexual activity as the preferred choice of behavior in relation to all sexual activity for unmarried pupils because it is the only method that is one hundred percent effective in preventing pregnancy, sexually transmitted diseases and the emotional trauma associated with adolescent sexual activity, and advise students that teenage sexual activity places them at a higher risk of dropping out of school because of the consequences of sexually transmitted diseases and unplanned pregnancy;

(2) Stress that sexually transmitted diseases are serious, possible, health hazards of sexual activity. Pupils shall be provided with the latest medical information regarding exposure to human immunodeficiency virus, acquired immune deficiency syndrome (AIDS), human papilloma virus, hepatitis and other sexually transmitted diseases;

(3) Present students with the latest medically factual information regarding both the possible side effects and health benefits of all forms of contraception, including the success and failure rates for the prevention of pregnancy and sexually transmitted diseases;

(4) Include a discussion of the possible emotional and psychological consequences of preadolescent and adolescent sexual activity and the consequences of adolescent pregnancy;

(5) Teach skills of conflict management, personal responsibility and positive self-esteem through discussion and role-playing at appropriate grade levels to emphasize

that the pupil has the power to control personal behavior. Pupils shall be encouraged to base their actions on reasoning, self-discipline, sense of responsibility, self-control, and ethical considerations, such as respect for one's self and others. Pupils shall be taught not to make unwanted physical and verbal sexual advances or otherwise exploit another person. Pupils shall be taught to resist unwanted sexual advances and other negative peer pressure;

(6) Advise pupils of the laws pertaining to their financial responsibility to children born in and out of wedlock and advise pupils of the provisions of chapter 566, RSMo, pertaining to statutory rape.

2. A school district shall not distribute condoms or other contraceptives. Policies concerning referrals and parental notification regarding contraception shall be determined by local school boards. Such policies shall be applied in a manner which is consistent with the provisions of section 167.611, RSMo.

3. A school district which provides human sexuality instruction may separate students according to gender for instructional purposes.

4. The board of a school district shall determine the specific content of the district's instruction in human sexuality, in accordance with subsections 1 to 3 of this section, and shall ensure that all instruction in human sexuality is appropriate to the age of the students receiving such instruction.

5. A school district shall notify the parent or legal guardian of each student enrolled in the district of:

(1) The basic content of the district's human sexuality instruction to be provided to the student; and

(2) The parent's right to remove the student from any part of the district's human sexuality instruction.

6. A school district shall make all curriculum materials used in the district's human sexuality instruction available for public inspection pursuant to chapter 610, RSMo, prior to the use of such materials in actual instruction.

170.059. The school board of any school district may expend either teachers' fund moneys or incidental fund moneys to provide and pay for the costs of direct instruction in foreign language to pupils in grades kindergarten through three.

173.775. 1. The Missouri critical teacher shortage forgivable loan program shall make undergraduate and graduate forgivable loans available to eligible students entering programs of study that lead to a degree in a teaching program in a critical teacher shortage area.

2. To be eligible for a program loan, a candidate shall:

(1) Be a full-time student in an upper division undergraduate or graduate level in a teacher training program approved by the Department of Education leading to

certification as a teacher;

(2) Have declared an intent to teach, for at least the number of years for which a forgivable loan is received, in public elementary or secondary schools of Missouri in a critical teacher shortage area identified by the state board of education;

(3) If applying for or renewing an undergraduate forgivable loan, have maintained a minimum cumulative grade point average of 2.5 on a 4.0 scale for all undergraduate work;

(4) If applying for or renewing a graduate forgivable loan, have maintained a minimum cumulative grade point average of 3.0 on a 4.0 scale for all graduate work;

3. An undergraduate forgivable loan may be awarded for two undergraduate years and shall not exceed four thousand dollars per year, or for a maximum of three years for programs requiring a fifth year of instruction to obtain initial teaching certification.

4. A graduate forgivable loan may be awarded for two graduate years and shall not exceed eight thousand dollars per year.

5. The state board of education shall adopt by rule repayment schedules and applicable interest rates. A forgivable loan shall be repaid within ten years of completion of a program of studies. A forgivable loan recipient must begin teaching in a critical teacher shortage area within one year upon completion of a program of studies or begin a scheduled repayment plan as approved by the department.

6. Credit for repayment of a forgivable loan pursuant to this section shall be in an amount not to exceed four thousand dollars in loan principal plus applicable accrued interest for each full year of eligible teaching service. However, credit in an amount not to exceed eight thousand dollars in loan principal plus applicable accrued interest shall be given for each full year of eligible teaching service completed at a high population density, low-economic condition urban school or at a low population density, low-economic condition rural school, as identified by the state board of education.

7. Any loan recipient who fails to teach in a public elementary or secondary school in this state as specified in this section shall repay the loan plus interest accruing at eight percent annually.

8. Loan recipients may receive loan repayment credit for teaching service rendered at any time during the scheduled repayment period. However, such repayment credits shall be applicable only to the current principal and accrued interest balance that remains at the time the repayment credit is earned. No loan recipient shall be reimbursed for previous payments of principal and interest.

9. The state board of education shall work with local school districts to develop rules to implement this section.

10. The board is authorized to adopt those rules that are reasonable and necessary to accomplish the limited duties specifically delegated within this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is promulgated under the authority delegated in this section shall become effective only if it has been promulgated pursuant to the provisions of chapter 536, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this section shall be invalid and void.

Section 1. 1. There is hereby created the "Missouri Teachers Corps". The department of higher education and the department of elementary and secondary education shall provide staff and facilities for the corps.

2. The corps shall recruit one hundred college seniors or graduates each year to contract to teach in designated schools for a two-year period. No recruit shall have majored in education. Each recruit shall have a bachelor's degree upon entering the corps in mathematics, science, social studies, English or a foreign language.

3. The corps shall:

(1) Provide dedicated, talented teachers for school districts where an inadequate supply of teachers exists;

(2) Afford a structured entry into the teaching profession for outstanding liberal arts graduates who may have never taught; and

(3) Identify and nurture educational leaders for the twenty-first century.

4. The corps shall provide, with the assistance of the state colleges and universities, an eight-week intensive training institute for the recruits to provide skills needed to assist them in teaching. Upon successful completion of certification requirements, recruits shall be assigned by the corps to public school districts on the basis of local need.

5. The corps shall provide members with tuition and book allowances and housing allowance for the member's pursuance of a master of arts degree in curriculum and instruction in an evenings and weekends and summer schedule for the first two years.

6. Corps members shall be compensated as are other teachers.

7. The department of elementary and secondary education may adopt rules to implement the provisions of this section.

8. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo.

Section B. Because of the urgent need to revise state penalties for certain fund transfer violations, section 165.011 of this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and this act shall be in full force and effect upon its passage and approval.

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